The China Weekly

# REVIEW

密勒氏評論報

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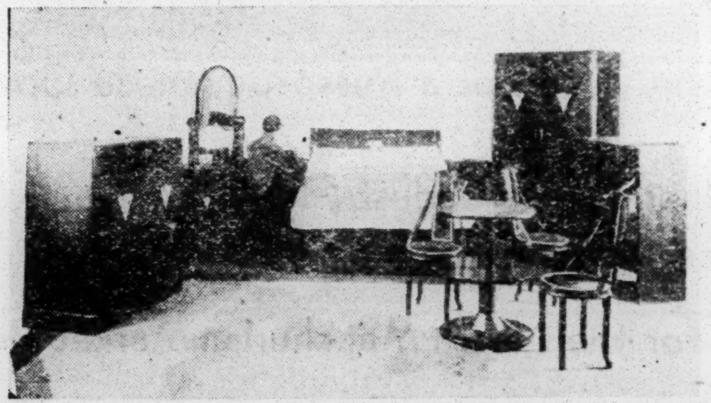

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Formerly Millard's Review

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CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — CHANG YA-CHUEN
MARK M. LU (Honan) — FLORENCE WONG (London)

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

## THE SIGNIFICANCE OF THE NETHERLANDS NAVAL MUTINY

AN extraordinary situation has arisen in the Netherlands Indies. A mutiny involving hundreds of sailors broke out on the ships of the Netherlands navy stationed in Netherlands India end of last week and was still in progress at the time of writing. The greater majority of the mutineers were Javanese, but the ringleaders were Netherlands-born. Prominent in the incident also are many of mixed Netherlands and Javanese blood, of which there are many in the various islands which comprise the Netherlands Indies. The mutiny reached the point February 5, where some of the mutineers seized one of the vessels, the cruiser *De Zeven Provincien*, and made off with it, while nine officers were held in irons. Other units of the fleet eventually captured the mutinous vessel. The reason given for the outbreak is that the rank and file were dissatisfied with the reduced pay that had been ordered. Regardless of whether this is or is not the real reason for the mutiny, the incident has deep significance in several directions. Both the Japanese and Chinese have looked on the Netherlands Indies for several decades with jealous eyes. The Japanese see in the Netherlands possessions in Asiatic waters the outstanding example of that Western imperialism which they have made it known they intend to replace with Japanese imperialism. Not only are the Netherlands Indies the most valuable of any "possessions" held by any European country in East Asiatic waters, but they are held by the country which is the weakest in a military or naval sense among European countries holding title to land in this part of the world. Despite the fact that the Netherlands are comparatively weak in a military or naval sense they have ruled the natives of the islands their flag flies over, both the Javanese and the Chinese, under regulations that are considerably out of touch with the times. Catering almost entirely to the physical needs of the inhabitants, the Netherlands government has neglected almost completely their intellectual side, not that there has not been education, but here again it was only the physical and material side that was catered to. Political aspirations, whether on the part of the Chinese or Javanese, have been rigorously suppressed—all this has been done by a country small in size and comparatively weak in armaments. The significance of the mutiny lies in the fact that it calls attention to and exposes the weakness of the Netherlands attitude, and cannot help but arouse the ambitions of the inhabitants of the islands, whether they are of Javanese or Chinese blood, for a more liberal attitude on the part of the Netherlands Government towards their ideals and aspirations. It is almost unnecessary to add that the developments in the Netherlands Indies are also being watched with intense interest by the Japanese.

## THE THEATERS AND THE SINO-JAPANESE CRISIS

FOR some reason, people who are engaged in amusement enterprises apparently are most short-sighted when it comes to judging public opinion regarding their own business. In Peiping the theaters objected to paying a small percentage of their income toward patriotic organizations, so as a result the Chinese students in the Peiping area started an agitation which practically resulted in the public boycotting the theaters on the grounds that it was unpatriotic for the public to attend amusement enterprises during the period of crisis. The result was serious losses to the theaters because crowds simply refused to attend for fear if they did attend that they might be greeted with bomb attacks. A somewhat similar situation is beginning to develop here at Shanghai where the theaters allegedly are refusing to pay a small tax which is to be devoted to patriotic purposes. The theater people of course should be assured that the money is actually going to the announced cause, but after that has been established there isn't one theater patron in a hundred who would object to a few cents being added to his ticket if he knew the money was to be used for patriotic purposes. This statement probably would also go for most foreigners in Shanghai.

One would think that the theater managers themselves would have sufficient intelligence to judge public opinion on this question, but instead of that—if one may believe the news reports—they arbitrarily refuse to make any contributions toward patriotic enterprises and as a result are courting serious future troubles. Recently there have been reported several incidents of bombs being found in theaters and it does not require much of this sort of propaganda to scare the public away, just as it did the people in Peiping. As a matter of fact there is nothing new in this because a similar method was used by the racketeers in Chicago. However, they didn't use explosive bombs; they merely used gas bombs which made the theaters uninhabitable for hours and thus ruined the business. We repeat the original statement that the people managing amusement enterprises, who are generally susceptible to public opinion, usually are the most ignorant of all when it comes to judging public opinion in reference to their own interests, and thus cause huge losses to themselves. If the theater proprietors here in Shanghai continue to ignore public opinion it is quite probable that a situation will develop here similar to that in Peiping where Chinese patrons voluntarily stay away from the performances.

## CHINA ALLOWS FREE TRADE IN RICE AND WHEAT BETWEEN PORTS

A RECENT Chinese Maritime Customs Notification announced that rice and wheat shall hereafter be allowed to move between the various ports of China without payment of any duties. This will not occasion any surprise to people living in China, but it will probably be news to people in many other parts of the world that for customs purposes the Chinese Maritime Customs treats the various ports practically as ports in foreign countries, and no goods of any kind can move from one city to another in China, whether by freight, express or post, without being subject to Customs examination. If a similar system were in force in the United States, it would mean, for example that if a mail-order house in Chicago wished to mail a package to a customer in Cleveland, the shippers would first of all have to present the package to the Customs authorities in order to "export" it, and then later the receiver in Cleveland would have to pass the gauntlet of the Cleveland customs authorities once more when taking possession of his Chicago mail-order package. Such a system is naturally very wasteful of time and as a matter of fact retards the internal trade of any country, such as China, which follows it. Until several years ago all shipments between ports in China were subject to an export duty going out of the port of shipment and an import duty going into the port of receipt. These duties were not as high as the corresponding ones from or to foreign countries, but they have been sufficiently high to cause a considerable burden on internal trade. In recent years the procedure of collecting these export and import duties has been simplified, but there has been, practically speaking, no reduction in the taxation which the goods have to carry. Such a system is of course economically unsound. The Constitution of the United States forbids the imposition of any export duty, and the makers of America's charter of rights were wise in making such a stipulation. China is one of the few countries which levies an export duty and so far as we know is the only country that imposes duties between its own ports. A happy day it will be for China when it will decree not only that wheat and rice, but all other products, shall move between its ports without being subject to interport duty, and happier will be the day when it abolishes entirely the practice of imposing export duties, thus falling in line with the United States and England, and most large industrial countries. But let it be added that China with its likin and its system of interport Customs taxation is no more foolish than is the world in general in building up high tariff walls and thus crippling international trade, a system to which the United States of America has been a chief contributor and to which the principal trading countries of the world have became devotees in an increasing degree within the past few years.

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### China to Spend $250,000 on Chicago Exposition

The Ministry of Finance has decided to appropriate $250,000 to meet the expenditure for China's participation in the Chicago Exposition and special representatives will soon be sent by the Ministry of Industry to Chicago to make the necessary preparations. The Exposition will commence at Chicago on June 1.

# Tael to Be Abolished April First---Dollar Exchange Rate Fixed

A FURTHER step in the simplification of China's complicated monetary system is about to be made, thanks to the tireless efforts of the Ministry of Finance, which during the past year has worked steadily towards the fulfillment of an ambition which had its birth in China already many years ago—namely to abolish the tael—or in actual practice, many different kinds of taels. Previous attempts at the abolition of the tael have proved abortive owing to the active opposition of the native banks, who will of course lose some revenue by reason of the fact that when the new system is put into force the profits incidental to the exchanging of the various taels into other taels and all of them into dollars will disappear.

T. V. SOONG.

Minister of Finance and Acting Chairman of the Executive Yuan

However, it is quite probable that in the end the banks will gain from the change due to the impetus that will be given to business in general by the abolition of a money system which is cumbersome and time-wasting in the extreme. During the past several months, T. V. Soong, the Minister of Finance, has been discussing the proposed change with the Chinese Bankers Association and the Native Bankers Guild, and according to a recent announcement by Ling Kang-hou, general secretary of the Chinese Bankers Association, the abolition of the tael will be carried out from April 1, by which time it is hoped that the government mint at Shanghai will be in a position to commence the operation of coining the millions of silver dollars that will be required to fill the hiatus which will be caused by the abolition of the tael.

Something might of course occur to delay the change, but it is to be hoped that nothing will intervene to effect a change which is of such evident benefit to Chinese commercial circles. Under existing circumstances the tael is a sort of an evanescent unit, varying in value in different parts of China, and surrounded with the hoary relics of tradition, which involves such terms as "fineness" and "touch," in addition to several hypothetical calculations, when it comes to determining its value. The tael—which is a Chinese "ounce"—when referring to money is usually understood to refer to silver. But there are also taels of gold. But neither of them had ever been coined. As used in commerce the taels are represented by ingots of silver cast in the form of a Chinese shoe. These are usually accompanied by a certificate of value (weight) from the assay office. Shanghai has one kind of tael, Hankow another, Tientsin another, and so have many other ports in China. The Customs administration uses still another kind of tael, although this is rapidly disappearing through the use of gold units, the latter being equivalent to U. S. $0.40. Approximately 72 taels make one hundred dollars, that is Chinese dollars (or yuan as they are called officially). The term "Mexican" dollar is still used, although the term is rapidly disappearing. The old Mexican-style coin is rarely ever seen these days, having been superseded by dollars coined in China with a Chinese design but of the same value. In reality, the only place where Mexican dollars are now to be seen is Mexico, and the dollars used there are neither the same size nor of the same value as those which are sometimes still referred to by that name in China. The aim of the Ministry of Finance is to make the term "tael" as obselete as is the old "Mexican" dollar, the movement for the abolition of which began in real earnest in the year 1917.

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In order to pave the way for the abolition of the tael, from March 1 the Central Bank of China, the Bank of China and the Bank of Communications have decided to offer exchange for any amount of dollars against taels, or vice versa, at the fixed rate of 71.5. They will be assisted by the members of the Shanghai Bankers Association, and also by the Native Bankers Association. From the same date the Central Bank of China will issue quotations in Customs Gold Units in local dollars only, instead of in taels as hitherto. It follows as a matter of course that the Haikwan tael, which is the hypothetical unit used by the Customs Administration, will also soon become a thing of the past.

# General Han Fu-chu Occupies Key Position in Northern Sino-Japanese Crisis

(*From The Review's Correspondent in Tientsin*)

IN the course of an article dealing with the situation in North China which appeared in these columns of *The Review* on February 4, a statement was made that there probably are only two generals in North China who can be depended upon to put up any kind of a fight in the event of a Japanese advance into North China. The two generals mentioned in the previous articles were Ho Chu-kuo who commands the troops on the Chinwangtao sector and General Yu Hsueh-chung who controls the troops at Tientsin. The writer now desires to add a third name, that of General Han Fu-chu who commands between fifty and seventy-five thousand troops in Shantung Province with headquarters at Tsinan.

GEN. HAN FU-CHU

Chairman of Shantung Provincial Government; born at Pa-hsien, Hopei; commenced his career as a common soldier and first served in Marshal Feng Yu-hsiang's Army; since the Nationalist Revolution in 1926, he has successively served as Commander of the First Brigade of the First Division of the National Army; Field-Commander of the Third Route of the Second Group Army and concurrently Commander of the 6th Army of the Nationalist Forces; member of the Military Council of the National Government; member of Hopei Provincial Government; Chairman of Honan Provincial Government; Commander of the 20th Division of the Army; Field-Commander of the Third Route of the Anti-Rebel Army; Field-Commander of the First Group Army of the Anti-Rebel Forces; now, member of the National Government Council, Chairman of Shantung Provincial Government and concurrently Commander of the Bandit Suppression Forces of Shantung and Honan; address: Shantung Provincial Government, Tsinan, Shantung.

Up to the time of his recent "war" with his provincial rival Liu Chien-nien, commander of the troops at Chefoo, very little had been heard of General Han Fu-chu. However, this doesn't mean that Han Fu-chu is not important. As the situation now stands in North China he occupies the most important position of all because he is sitting astride the railway which connects Nanking with Peiping and Tientsin and it is within his power to stop communication at any time he might desire. This doesn't mean, however, that he desires to take such action, because now that his provincial rival, Liu Ching-ni has been elminated there is no reason why Han Fu-chu should not be satisfied with his position, which as stated is the most important in the entire northern situation.

General Han Fu-chu in some ways reminds one of General Tsai Ting-kai of the 19th Route Army in that he is one hundred percent a soldier and unlike many other generals is not a business man first and a military leader afterwards. Han Fu-chu is never without his uniform and he follows the old Feng Yu-hsiang custom of wearing the same type of uniform, eating the same type of food as that of the rank and file of his army. He sleeps on a hard board bed in his office at the Yamen in Tsinan and enjoys few comforts that are not available to the rank and file. Han Fu-chu is a native of Pahsien, Hopei Province where he was born in 1890. He is therefore forty-three years of age or only one year older than General Yu Hsueh-chung, the defender of Tientsin and Chairman of Hopei Province. General Han Fu-chu was originally one of Feng Yu-hsiang's ablest commanders and from 1926 to 1928 commanded the Kuominchun 6th Route Army. In 1928 he was appointed Chairman of the Hunan Provincial Government. In the complications which developed in 1929 between Chiang Kai-shek and Feng Yu-hsiang, General Han Fu-chu sided with the Central Government and had considerable to do in bringing about the collapse of the so-called Northern Coalition. He was re-appointed Field Commander of the 3rd Army and in 1930 was appointed Commander of the 1st Army and concurrently Chairman of Shantung Provincial Government, the position which he still holds.

As the situation now stands in North China, the chief political power is wielded by Marshal Chang Hsueh-liang, late leader of Manchuria who is now in control of most of the troops in the

Peiping-Tientsin area, but Chang Hsueh-liang's power is largely due to the fact that he has the support of the Nanking Government. If he lost that support he obviously would not last long in the North because there are too many potential contenders for his position. Chang Hsueh-liang has won a unique reputation as China's "non-fighting" general although he has commanded one of the largest armies on the Asiatic continent and once had an air fleet almost equal in size to that of Japan. But he never put this army or military equipment to practical use. A large number of foreign arms concerns made a good living out of Chang Hsueh-liang in Mukden but Chang's purchase of war material was chiefly for the joy of buying it and observing it on dress parade. He has never used it, not even in domestic conflicts. Marshal Chang Hsueh-liang ought to be recommended for honorary membership in the world's leading pacifist associations. China can thank Chang Hsueh-liang's pacifist attitude, not only for the loss of Manchuria but also for the fact that thousands of intelligent people all over the world have approved of the Japanese action largely because China did not put up a fight.

Had Chang Hsueh-liang's troops put up a scrap at Mukden in the fall of 1931, and also at other points at Manchuria, but particularly in the Chinchow districts when the Japanese moved into that area it would have won more world support and particularly League support for China's case on the Manchuria issue than all of the pleas of the Chinese delegates at Geneva. In spite of a considerable development of pacificism in recent years the world still likes a fighter but Chang Hsueh-liang obviously is no fighter. Someone recently said that Chang Hsueh-liang always could be depended upon to compromise with his enemies, at least one hundred and one times out of a possible one hundred. As a result of this policy, thousands of intelligent people over the world wonder why they should worry about Manchuria when Chang Hsueh-liang did not think enough of his home territory to fight for it despite the fact that he had the strongest army in the country.

But to get back to the situation in Shantung there is no question regarding the fighting ability of the governor of this province, General Han Fu-chu. He is every inch a soldier and undoubtedly will give a good account of himself in the event of Japanese adventure into that district. No one can forecast what the Japanese military machine will do. A few weeks ago following the occupation of Shanhaikwan it appeared certain that the Japanese would move into North China or at least around the southern border of Jehol with the object of isolating that province from China Proper. Some observers believe, however, that the Japanese may make a simultaneous sea attack all the way along the coast from the Yangtsze Valley north, but others believe that the Japanese will move more cautiously and may attempt to avoid military activities in the Peiping-Tientsin district. Regardless of the methods which Japan may use in North China, much is certain to be heard of the activities of General Han Fu-chu because should the Japanese move into the Tientsin-Peiping district, General Han Fu-chu would be in a position to menace their flank. In a recent interview, General Han Fu-chu made it clear as to his reactions regarding the present situation, and while he has voluntarily subjected himself to the orders of Nanking, he will not be found wanting in the event of further Japanese military adventures into the North. As the situation stands in Shantung, General Han Fu-chu now controls the whole province with the exception of the two ports of Tsingtao and Chefoo. But while these ports are controlled by Admiral Shen Hung-lieh of the Chang Hsueh-liang squadron there is close co-operation between himself and General Han Fu-chu. Some claim that preparations have been made for the mining of Tsingtao harbor in the event of an outbreak with Japan in the North, but this of course is merely rumor. In a recent interview with the writer General Han Fu-chu said that his first duty was to defend his province, but in the event of Japanese military activities in the North he obviously would not be able to stand aside and see Chinese territory invaded.

In many ways Shantung has a very close connection with Manchuria. Shantung is the home land of thousands of Chinese peasant laborers who have emigrated to Manchuria. The close connection between Shantung and Manchuria is indicated in the fact that there is always a large quantity of Manchuria money in circulation in Shantung province due to remittances in actual currency by former residents in Manchuria. In addition to this element, Shantung has had two tastes of Japanese military occupation. The Japanese first entered Shantung, after the defeat of the German garrison at Tsingtao in 1914. They maintained their position in the province until after the Washington Conference in 1922. Under the guise of protecting Japanese interests but actually for the purpose of blocking the Nationalist advance north, the Japanese again moved into Shantung in 1928. The National Government did not succeed in getting the Japanese out of the province until 1929. As a matter of fact it was reported at the time that this was one of the reasons for the split between Chiang Kai-shek and Feng Yu-hsiang, as the National Government had originally promised Feng Yu-hsiang Shantung Province, but later on had to refuse Feng the province because of Japanese opposition. This is said to have been the cause of the first break between Feng Yu-hsiang and Chiang Kai-shek, leading to a disastrous civil war in 1929-1930. Regardless of the truth of that report the fact of the situation is a former Feng Yu-hsiang commander with an army largely trained under Feng's command is now in control of Shantung province and it is generally reputed to be one of the best fighting units in China. General Han Fu-chu in many ways resembles General Feng Yu-hsiang. He is the first governor of Shantung probably since the revolution who has paid any particular attention to the welfare of the peasantry. Immediately after the defeat of his provincial rival, Liu Chien-nien, he made a trip into all parts of the province and in innumerable cases appointed new magistrates and local officials. Many interesting stories are told in Tsinan about some of his experiences on his tour of inspection. In one town he told the magistrates to meet him for breakfast at seven o'clock in the morning. None of them

**showed up, the hour being too early. However, when they did show up later on during the morning it was only to discover that the governor had appointed an entire new set of magistrates and all the old ones were out of a job. He is doing a good deal in the reconstruction of the province, building roads and other improvements, but as stated, a good deal of the work is designed with the object of improving the lot of the peasant farmers who make up the bulk of the population of the province. Foreign businessmen interested in trade in Shantung generally give General Han Fu-chu credit for heading one of the best provincial administrations in the entire country.**

# League Committee Declares Manchukuo Will Not Be Recognized

THE League of Nations, or at least the Committee of Nine and the Committee of Nineteen, have at last done something that has caused the Japanese Government to sit up and take notice. The truculence of the Japanese on the whole has by no means been diminished, but their various delegates, spokesmen, and diplomats have been moved to observe a little more caution. There has been unanimous agreement at Geneva that the new state of Manchukuo is not to be recognized, thus backing up the Stimson policy and the Lytton Report. Not only that but the meeting of the Committee favored the communication of various recommendations, which were later drafted, to neighboring states and the signatories of the Nine-Power treaty with a view to their co-operation. The sentiment of the meeting of the Committee was well expressed by Dr. Benes, the Czecho-Slovakian delegate, who suggested a formula for the collaboration of the United States and Soviet Russia in support of the recommendations of the League and the matter of the non-recognition of Manchukuo. He proposed that neighboring states—in other words Soviet Russia—and the signatories of the Nine-Power Treaty—in other words the United States—should be informed of the recommendations with a view to their endorsement and collaboration.

The Committee of Nineteen came to a general agreement on the following principles to guide the drafting committee of nine in the task of preparing the recommendations:

1. The ten principles enunciated in Chapter IX of the Lytton Report shall be taken as the basis of the drafts, which shall be within the framework of the Covenant, the Kellogg Pact and the Nine Power Treaty.
2. The maintenance of Manchukuo cannot be taken as a solution and the existing regime must not be recognized.
3. The existing regime in Manchuria does not possess attributes which make recognition possible.
4. All members must act together.
5. Some principles of non-co-operation must reinforce the decision of non-recognition in order that nothing tantamount to de jure recognition may result from the necessary de facto recognition inevitable owing to the presence of consuls, etc.
6. It is important to secure the co-operation of non-member States, especially of neighboring States of signatories of the Nine Power Treaty.

The action of the League Committee came not altogether as a surprise to Japan, but nevertheless when the fact was once definitely established there was immediate repercussion in the Island Empire. A huge mass meeting, called a "national emergency meeting" by its sponsors, the National Unification Union, was held in Hibiya Park in Tokyo, on the afternoon of February 7, when resolutions urging Japan's withdrawal from the League were passed. Some of the speakers were Lieut.-General Shitenwo, Ryohei Uchida, Dr. N. Hijikata and Ryuji Nagashima.

Last minute concessions were made by Mr. Matsuoka at Geneva Feb. 7 with a hope of avoiding a condemnation of Japan by the League. The Japanese are asking that some specific point in the Lytton Report favorable to Japan should be included.

What the eventual outcome of the League's action will be remains to be seen, but that in due course Japan will withdraw from the League seems almost certain. Incidentally already now she has made it known that even though she withdraws from the League she intends to hold on to the Pacific Islands which were allotted to her under the League's Mandate. These islands were alleged by the London *Daily Herald* recently to have been fortified by the Japanese. The Japanese Government entered a denial, but admitted that "harbor improvements" had been made. The eventual disposition of these Pacific Islands now mandated to Japan will probably be something which the United States of America will later on have something to say about.

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It was before the League Committee took the action above recorded (February 6) that Mr. Matsuoka, Japanese delegate to the League of Nations, told the London *Sunday Times* in an interview that if the League of Nations attempted to enforce the penalties in Article XVI of the League of Nations the result would be a second world war. Article XVI defines the circumstances under which the League will decide that if a member does certain things said member will have been deemed to have committed an act of war. Any formula by which Manchukuo was considered autonomous under the aegis of the great Powers, Mr. Matsuoka declared, could not be admitted by Japan. Mr. Matsuoka went on to declare that Japan intended to have her own way in Manchuria, and if any attempt was made to interfere she would withdraw from the League; therefore if she (Japan) was compelled to withdraw from the League it would be the League's fault and not Japan's.

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All financial circles in Japan, according to *Reuter*, have begun to realize fully the gravity of the developments in Geneva, and are prepared to meet the worst. Leading financiers, industrialists and business men in Tokyo have agreed to keep in close contact with the diplomatic and military authorities, so as to offer feasible, constructive suggestions to cope with any possible

**undesirable situation that may develop at Geneva in connection with the Sino-Japanese dispute.**

**None of the financial leaders of Japan seem to anticipate that Japan's withdrawal from the League would exert any grave influence upon the economic position of the country, but nevertheless anxiety is felt over possible intricate international relations which may be created afterwards.** Among the possibilities of the future is an economic blockade of Japan by the principal countries of the world but Baron Goh, president of the Japan Economic Federation, expressed the view that an economic blockade against Japan "is quite unthinkable from a realistic point of view." Mr. Kodama, president of the Yokohama Specie Bank, said to an interviewer, "The talk of an economic blockade against this country is out of the question if considered merely from a commonsense basis. On the other hand, it is inconceivable that friendly relations between this country and France would be impaired due to the action of the League."

The news from Geneva has also increased the alarm in Japan over the abnormal "red ink" Budget. *Rengo* reports that the various factions of the House of Peers are paying the closest attention to the debates on national finance at present proceeding in the Lower House. The Government had previously disclosed that the extraordinary expenses were necessitatd to a great extent by the replenishment plans of the Army and Navy, the former, especially, requiring Yen 300,000,000 for next year, but regarding the readjustment of the national finance, the Government's statements had always been evasive. When the Budget Bill is brought forward in the House of Peers, the Government will probably be asked to make a complete "show-down" of its financial policies.

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The latest news from the North is that the drive of the Japanese into Jehol has been postponed, at least for a week or two. This decision is most likely due to the desire on the part of the Japanese army authorities to await developments resulting from the League Committee's action. There are also indications that General Muto, commander of the Kwangtung Army, is against immediate action. General Araki, the War Minister, is in favor of prompt measures. The result, according to a recent *Shun Shih* telegram, is that General Muto has tendered his resignation as he does not wish to move until he has received reinforcement. When the drive into Jehol actually takes place it is predicted that it will be made along three routes, namely, from Kailu, Linnan and Chaoyang, and at the same time pressure will be exerted on the Chinese troops at Chinwangtao.

Reports from Chinese sources declared that on the morning of February 6 there arrived at Tungliao, the city east of Kailu, three Japanese military trains carrying 2,000 infantry and cavalry, 80 motorcars and 100 field guns. The reports added that another 2,000 men comprising cavalry and infantry arrived at Suichung, just outside the Great Wall from Shanhaikwan. Large bodies of Volunteers attacked the Japanese February 5 near Chiumen Pass, according to Chinese reports. The fighting lasted all day, and the Chinese claim to have killed a number of Japanese and Manchukuo troops.

### Chinese Occupy Tuichingshan

**A part of the Volunteers under Feng Chan-hai has occupied Tuichingshan and is advancing on Mulitu, south of Tungliao, on the Tahushan-Tungliao Railway, in order to cut the rear of the Japanese at Tungliao.**

**The Japanese garrison at Chayangshih along the Chinchow-Chaoyang branch railway has been reinforced by 1,000 men. It is learnt that at a military conference recently held at Chaoyangshih, the Japanese decided to attack Peipiao (well known for its rich coal mines) by way of Hsiafu, Nanling and the Chinchow-Chaoyang Railway. Japanese airplanes have been conducting daily reconnaissances over Chaoyang.**

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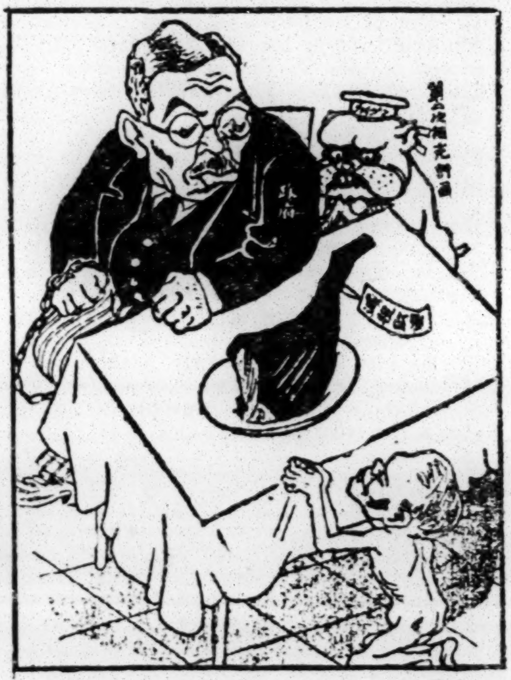
## Japan to Extend Naval and Air Forces

**Replying to questions in the Diet recently, the Japanese Navy Minister revealed that one reason for the unusually large naval appropriations appearing in the budget estimates for the coming fiscal year is that they allow for "the first part of the Navy's second replenishment plan."**

**This statement by Admiral Osumi was considered of special interest in that it provided, for the first time, official confirmation that the reports appearing in the Japanese Press in November last were well founded in substance if not in detail. According to these reports, the Navy Ministry had decided to expedite the carrying out of its so-called second naval replenishment program and to seek the sanction of the Diet for the necessary appropriations. Enquiries made at the Navy Office in Tokyo at that time, however, brought forth a denial of their accuracy, though the naval spokesman avoided going so far as to assert that they were wholly devoid of foundation.**



*Pakou* *Tokyo*

THE GOVERNMENT, SHACKLED BY NAVAL ARMAMENTS, LEAVES THE PEOPLE NAKED AND STARVING.

**Beyond admitting that appropriations for the commencement of the long-projected second replenishment program were being asked, and that the naval authorities were contemplating submission of further plans for supplementing the strength of the Navy, Admiral Osumi, in his statement in the Diet, gave no indication of the total amount eventually required for the completion of the program, nor did he indicate the number of years over.**

**The actual amount to be appropriated for it during the fiscal year of 1933-34, however, is set at Yen 87,419,414 and is split up under the following leadings:—**

| | Yen |
|---|---|
| Maintenance of new warships | 15,195,071 |
| Construction of warships | 15,000,000 |
| Improvement of Navy on sea and land | 10,794,230 |
| Improvement of warships | 24,031,339 |
| Maintenance and improvement of Naval Air Force | 22,398,774 |

**According to the *Asahi*, approximately Yen 372,000,000 more will be required to complete the whole contemplated program, the total cost of which, it avers, is**

## PHOTO OF MEMBERS OF THE SIKONG EXPLORATION PARTY

*Left to Right Front:* Lewis Thorne, Arthur S. Emmons. *Back:* Richard L. Burdsall, Jack T. Young, Terris Moore.

The above photo shows the members of the Sikong Expedition who recently returned to Shanghai from an eight months' trip into the western parts of China. Standing in the center is Jack T. Young of the Sun Yat-sen village of Chung Shan district, who was the leader of party. This was the first scientific expedition carried out under the command of a Chinese.

It will be remembered that two years ago Mr. Young was one of the members of the Roosevelt Brothers' hunting expedition into Szechuen and Tibet. One of the Roosevelt brothers is now the Governor-General of the Philippine Islands.

Mr. Young, with the Central Government's permission and the co-operation of the Metropolitan Museum of the Academia Sinica, led the party which penetrated the wild interior for medical observation and to make a zoological and botanical collection. They succeeded in reaching the 24,000 ft. Minya Konka mountain peak, which is considered the highest peak of Minya Konka Range. The Chinese National flag, which was presented to Mr. Young by the Ministry of Foreign Affairs, was hoisted at the peak and was left flying there.

Besides numerous rare specimens of wild animals and birds for the Metropolitan Museum, Mr. Young also presented over 20 pieces of wild animal skins to the Chinese National Government Museum at Nanking, including brown bear, wild boar, monkeys, etc., all of rare variety.

## Western China Birds for the Field Museum of Natural History

A booklet published by the Field Museum of Natural History of America with headquarters at Chicago gives an interesting account of the Kelly-Roosevelt Expedition to Western China and the collection of more than 1,150 specimens of birds taken in Yunnan and Szechuan. Practically, all the birds were taken by Herbert Stevens, a member of the Expedition. Besides birds, Mr. Stevens has also made collections of mammals, insects, fishes, reptiles, amphibians and plants. He travelled extensively in the two China Provinces and spent nearly a year in his hunt from Jan. 1929 to October of the same year. All the specimens secured in China by Mr. Stevens have been identified and sorted by Mr. Bangs of the Museum, who was prevented from completing his work by death in September last year.

estimated at Yen 460,000,000, spread over a period of four years. The same paper reports that the vessels to be constructed under it are two cruisers of 8,500 tons each, an aircraft carrier of 8,000 tons, seven destroyers of 1,400 tons each, six submarines of various sizes, a mine-layer of 5,000 tons, and an unspecified number of mine-sweepers and torpedo boats. These are all by way of being replacements, the paper says, for vessels that have already reached, or are soon to reach, the age limit, the total cost of their construction being set at Yen 360,000,000. The balance of Yen 100,000,000, it is reported, is to be spent on the creation of five more naval air squadrons, a plan which, if carried out, will eventually give Japan a total 36 such units.

The figures quoted from the *Asahi* are the same as those reported in the vernacular Press three months ago and cannot be regarded as strictly accurate. Nevertheless, in that the Navy Minister's admission in the Diet, that the naval estimates in the 1933-34 Budget provide for the commencement of the second naval replenishment program, has confirmed part of last November's press reports, *Reuter* says it is not unreasonable to believe that the details contained in these reports (and reasserted again now by the *Asahi,*) are somewhat near the mark.

## America Will Sell Enormous Amount of Cloth to Moscow

The New York *Journal of Commerce* Jan. 27 stated that the United States textile industry is confident its plan to sell about one billion yards of grey cotton cloth to Soviet Russia will be consummated with the Government's Reconstruction Finance Corporation aiding in the financing of the deal. The newspaper estimated 1,250,000 to 1,500,000 bales of cotton would be needed to make the billion yards of cloth, the manufacture of which would require about 18 months. The Soviet would pay about $50,000,000 for the cloth, paying 60 percent down and the remaining 40 percent over a period of years.

## Japanese Adopt Truculent Attitude at Hankow

The Chinese newspapers report that on the border between the Japanese Concession at Hankow and the Chinese city, wire entanglements have been erected and machine-guns placed in position at all entrances to the Concession. Military telephone stations have also been established at strategic points. All Chinese policemen in the Japanese Concession have been dismissed and replaced by Indians and Japanese marines. Anti-aircraft guns have been placed in position at the Japanese Consulate and the headquarters of the Japanese marines. The naval wharf is under special protection and all communications with it are suspended at night-time.

All Japanese males in the Concession are to be given rifles and ammunition as a precaution against emergencies. It is estimated that, at present, there are 1,900 Japanese males in the Japanese Concession in Hankow, among whom are about two hundred ex-service men. These Japanese have been organized into volunteers and are now undergoing rigid military training by ex-service men.

## Japanese Will Not Withdraw from Arms Meeting

The withdrawal of Japan from the League of Nations does not necessarily mean that the Japanese delegate to the Arms Limitation Conference will also be withdrawn, according to Japanese Navy authorities. Several reasons are advanced by Japanese naval officials for their attitude. First of all they say that the Arms Limitation Conference is not held by the nations in the League as such, and that there are states participating which are not members of the League. Their second reason is that the nature of the recent Japanese naval proposals has not yet been explained to the Conference. Therefore, they contend, if Japan should withdraw from the Conference at this stage the world would blame Japan for lack of sincerity regarding arms limitation.

# What Would Be the Result of a Russo-Japanese Conflict?

*(From the Review's Changchun Correspondent)*

JOSEPH STALIN, the supreme head of Soviet Russia, has recently startled the world by the declaration that owing to strenuous efforts of Russia's proletariat the country finds itself fully prepared to face any foreign invasion. He further stated that in order to speed up the military preparedness the government was obliged to deviate from the once adopted industrial plan, paying a greater attention to the production of military implements, because of which the first Five Year Plan was considerably delayed, especially in regard to heavy industry. "We would have accomplished the Plan fully 100 per cent had we not been obliged to turn our attention to a more pressing necessity of preparing ourselves for warding off the threatened capitalistic invasion, so that as a final result the plan has been accomplished by 93.7 per cent" he said.

Although Stalin did not mention who was the threatening enemy it was well understood that, when speaking of imperialists, he had in view no other country but Japan. And really, the latter country, through its Foreign Ministry, made it known that Stalin's remarks were understood as hurled at Japan. "Now, after the speech of M. Stalin, every hope for concluding the non-aggression pact between Japan and Soviet Russia has faded away," said the spokesman, adding that the huge appropriations for the Japanese Army and Navy, which are now being considered by the Diet, are in a measure caused by unflinching efforts of the Soviets to arm themselves despite the pleas for non-aggression pacts with their neighbors.

### War Between Japan and Soviets Inevitable

Since M. Stalin's speech has aroused a widespread interest in all circles, the other day the writer approached a certain Soviet man in this city, whose opinions usually impress one by their force and impartiality, and asked him what he thought of M. Stalin's pronouncement and the Japanese reaction thereto as given above. He said that, in his opinion, after all is said and written, war between the Soviets and Japan seems inevitable, that, although the Soviets seem to be quite ready for a defensive war, he thought for many reasons, the Japanese will defeat the limited Red forces in the Russian Far East and will probably be in occupation, of all important strategic points in Eastern Siberia, creating a second Manchukuo out of occupied areeas. "There are many reasons for thinking so," he said.

We are all inclined to overvalue the valor and exploits of our own army or navy, in the face of such a statement and coming from a thoughtful Soviet man, holding a certain executive position, is very surprising. A further conversation disclosed the fact that the man had made an extensive and independent study of the question and had arrived at this conclusion by means of hard reasoning. The Japanese refusal to sign a pact of non-aggression, he understood was a veiled threat hurled at Russia that some day the Japanese armed forces would be invading Russian territories. As to why the Red Army should suffer reverses at the hands of Japanese he gave the following grounds; (1) that, in view of peculiar internal difficulties, the Soviet Government cannot afford to send the entire Red Army to the Far East, the main body of the same being required at home, that is, in European Russia, Western Russia and Western Siberia for maintaining peace and order; (2) that the present Far Eastern Army, headed by Comrade Blucher, will be about the only one to confront the Japanese onslaught and it will, by all probabilities, be left alone to fight the Japanese and to get the better of it; (3) the Japanese Army will be thrown on the field in its entirety, facilitated by a net of strategic railways in Manchuria and also assisted by the Navy; (3) because of these reasons the Red Army will lose its strategic points, but then it will begin the most destructive and nerve-racking method of warfare—guerilla warfare, which will last for years and which will compel the Japanese to quit the occupied areas.

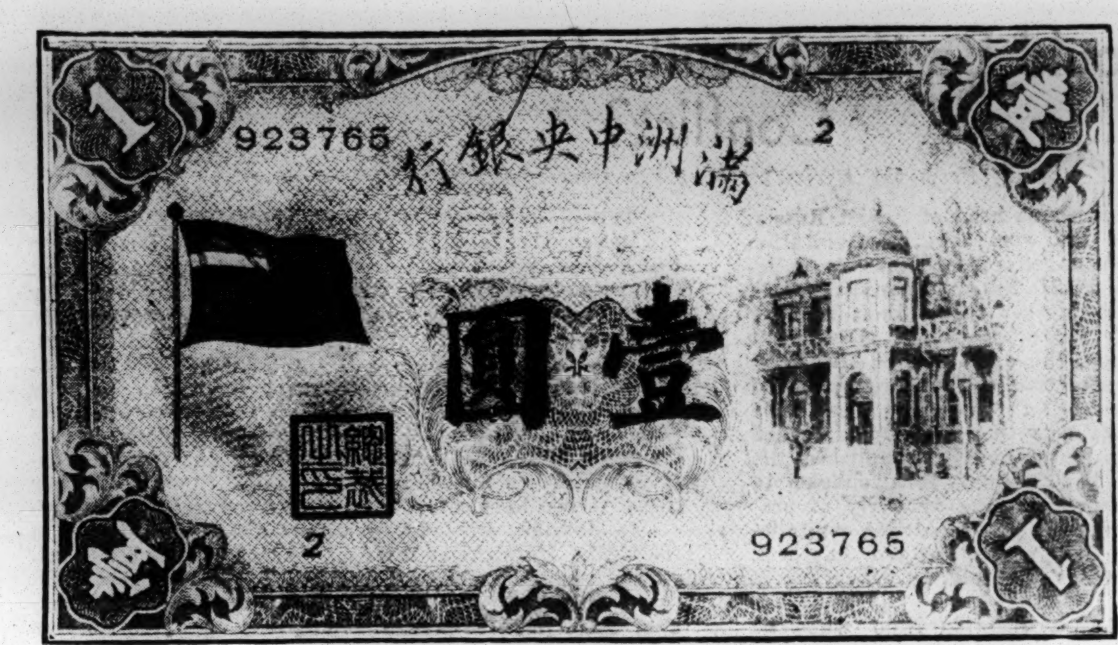
It will be remembered that, before M. Stalin made his speech, the Japanese had made clear the terms upon which they would yield to the Soviets' overture about the non-aggression pact, said terms being elucidated by one of the leading newspapers, the *Osaka Mainichi* in its issue of January 5, which stated that the non-aggression pact should be possible if the Soviets would consent to the transfer of their rights over the C. E. Railway to Japan, would speedily accord *de jure* recognition to Manchukuo, and would grant more concessions to the Japanese in regard to forestry, fishery and other industries in Eastern Siberia. It is impossible to state whether these terms have ever been profferred by the Japanese to Russians officially,—a report about these terms in the *Osaka Mainichi* at this time is more than significant. Now it remains to be seen whether M. Stalin's speech will serve as a hindrance for the consummation of the non-aggression pact, as was hinted by the Japanese Foreign Office.

While all this talk about peace and good-will is going on, Japan is fervently preparing herself for war, as was admitteed by Lt.-Gen. Kurosaki, retired, now in charge of the Mukden Arsenal, formerly the property of the Chinese Army in Manchuria and which fell to the Japanese on September 19, 1931. He had been appointed by the Tokyo Government to head the Mukden Arsenal and recently returned from a visit to Tokyo and other cities where he was in the interests of the arsenal. As he told the representative of the *Manchu Pao* he, having visited all important Japanese cities, was astonished to observe the rush of orders to all industrial enterprises especially to the munition works. "It was very hard to secure the services of experienced engineers for the arsenal, for all of them are employed and do not like to come to Manchuria," he said. It is of interest to note in this connection that the lieutenant-general is one of the outstanding Japanese experts in ordnance and now is supervising all the works of the Mukden Arsenal. The arsenal is now working at high pressure turning out all sorts of war implements. The previous announcements, made at the time of the birth of Manchukuo, that the arsenal will be devoted to the manufacture of agricultural implements are, of course discarded, the arsenal being devoted now exclusively to the manufacture and repair of arms and ammunition. Formerly the arsenal had German and White Russian engineers—but none of them are among its employees at present, all the staff being entirely Japanese.

### Japanese Preparations for War

No greater picture of the Japanese preparation for war can be had but by the comparison of appropriations for the War and Navy offices for this and last year. The present Diet has been asked by the government to allot Yen 821,190,000 for the purposes of defence, the Army and Navy asking for Yen 448,585,000 and Yen 372,605,000, respectively, which in all makes one-third of the aggregate sum of Yen 2,239,325,000 making the budget for 1933-1934. The present year's budget which is to end on April 1 next, is Yen 183,661,000 for the Army and Yen 211,728,000 for the Navy only. Now, since it seems to be the general opinion that the conquering of Manchuria is only a first stage of a greater adventure on the Asiatic mainland, it remains to be seen which one of the two neighbors—China or Soviet Russia—will come under the ax of Japanese imperialism, for which Japan is sharpening her arms at the expense of such a stupendous sum and at untold sufferings of her lower class people.

How this preparation is being carried out? A study of this question reveals that it is being carried out on a wide and deep rooted scale—there is probably no phase of life in Japan and her colonies which in some way is not affected by and for the sake of the impending struggle. The most apparent in this respect are the activities undertaken in Manchuria, and amongst them come first the talked of creation of an economic bloc



Fac-simile of Banknote (One Yuan) Issued by the "Central Bank" of Manchukuo

The new "Manchukuo" notes do not enjoy the confidence of the public. There is no guarantee back of them and no promise to exchange them for silver. The Manchukuo Customs, outside of Harbin, will not accept their own Central Bank notes, hence from a practical standpoint, the Japanese instead of unifying the Manchurian money system have merely added another unstable currency to the many kind already current in that area.

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between Japan and Manchukuo, the construction of several purely strategic railways and the establishment of iron and steel works in Manchuria. Because of the importance of each of these projects for our discussion it is advisable to deal with them one by one.

The organization of one economic bloc between Japan and Manchukuo has been attracting considerable attention of the press and therefore requires a little explanation. The main point is the conversion of Manchuria into a raw material supplying country for the Japanese industry, which as it is known to everyone, hopelessly lacks in home-made raw materials, these materials being imported from abroad. Manchuria is rich in all sorts of natural resources, she is considered to be a virtual store house for Japan, upon which the latter country can fall at all times, especially in times of war or economic isolation. According to the press, in Manchukuo only those industries which do not clash with the interests of the home manufacturers shall be allowed to be developed. In times of economic isolation it is hoped that the Manchukuo-Japanese economic inter-dependence will grow still greater—it is hoped that, hereafter, the destinies of both the countries will be similar.

### Japan-Manchurian Economic Bloc

The realization of the Manchukuo-Japanese economic bloc will virtually quash the so-called Open Door principle, for in that case the Japanese will have an exclusive and preferential position in Manchuria, although for the sake of diplomacy the Manchukuo and Japanese Governments may have to declare repeatedly the sanctity of this principle. This point seems to be so clear as not to require any more explanation—that this will be the case is seen also from several press dispatches from this city (Hsinking) to the effect that the Manchukuo Government means to accord a special preferential treatment to those nations which will accord the official recognition to the Hsinking regime—it means, in other words, that those nations, which will, by some reason, be withholding diplomatic recognition, shall be denied the right to trade and invest in Manchuria. Recently a report has been circulated among the newspapers all over Manchuria saying that the Hsinking Government intends to devise some means of retaliation against the nationals of the smaller nations, members of the League of Nations, which have shown uncompromising attitude during deliberations over the Sino-Japanese dispute at the Geneva proceedings. A mention has been made of the nationals of Czechoslovakia, whose nationals are likely to be severely dealt with in Manchuria, if retaliatory measures are adopted and put into force. It should be remembered that the representative of Czechoslovakia, Dr. Benes, has been one of the staunchest opponents of Japanese overtures during the whole time of the Geneva proceedings, so in this respect the principle of the Open Door and Equal Opportunities should be considered nearly closed—the Skoda Works, a Czechoslovakian concern, which has in the past been supplying railway equipment for many millions of dollars for Chinese railways in Manchuria, will surely receive no more orders.

We have outlined only general principles of the Japan-Manchurian economic bloc as they have appeared in the press. The particulars are in the course of incorporation in the treaty of commerce and navigation between Japan and Manchukuo, which is being negotiated between the respective governments. It is rumored that the treaty, in the part concerning the customs, will accord a preferential treatment to Japanese goods. Already a movement is afoot among the Japanese business interests in Manchuria and Japan concerning the particulars of the forthcoming customs arrangement, especially regarding the kinds of goods that should be exempt from Manchurian customs duties. If to this we shall add the effective control the Japanese have over Manchurian railways, towards regulating their freights, the picture will become pretty clear—the Open Door principle becomes a mere sound.

### Strategic Railways

Regarding the construction of strategic railways in Manchuria, emphasized above, it should be stated that the plans are being consummated for—(1) the completion of the Kirin-Kainei Railway, (2) the linking of the Tsitsihar-Keshan Line with the Hulan-Hailung Line, and (3) the construction of the new line from Lafachan, on the Kirin-Kainei Line, northward to the Eastern Section of the C.E.R. The South Manchuria Railway has recently formally signed a contract with the Hsinking Government for the construction of all these three lines, the details of the contract having been withheld from publication.

A look over the map will show that the Kirin-Kainei Line will connect Changchun and Kirin with the Korean border, traversing a rich country and which the Japanese mean to colonize by their own immigrants. The military importance of the line lies in the fact that, once constructed and put into operation, it will enable the Japanese to move, in case of emergency, the armies from Korea towards the Chinese Eastern Railway. In that case the Lafachan-Hailin Line, as referred to above, will serve for the swift occupation of the C. E. R. Because of the strategic importance of the Kirin-Kainei Railway the Chinese administration of Marshals Chang Tso-lin and his son, Chang Hsueh-liang, was vigorously opposing its construction—it became possible only after the downfall of that administration. It is reported that the railway has been completed, since the occupation of Manchuria by Japanese, up to Harpaling, some 70 kilometers east to Tunghua; if so there then remains the distance of about 50 kilometers between Harpaling and Laotagow, the latter point being already connected with the Korean system of railways by a narrow gauge railroad. The work over these 50 kilometers is being pressed with utmost haste.

The Keshan-Hailung Railway, the work on which is also being rushed, has much more economic value than the Kirin-Kainei Line, for the Keshan and Hailung regions are noted as producers of enormous stocks of soya beans, said regions having become a hotbed of competition between the Japanese controlled railways and the C. E. Railway. Besides the purely economic value the new line will have strategic importance in that it will enable the Japanese to move troops more easily towards the Amur. It is reported by the Japanese press that the Keshan-Hailung Line will be completed within the year—actual construction work is proceeding apace.

Incidentally it should be stated here that the program of the double tracking of the S. M. R. main line, of its entire length from Dairen to Changchun, is practically finished—there now remains only about 80 kilometers to be laid with the double track. It is reported that in the coming summer this task will be completed, in which case the Japanese will be able to operate the trains in an endless stream along the entire length of the S. M. R., and which they cannot do now, due to the limited capacity of the railway.

### Soviet Iron Works Have War Material in View

Much has been said about the progress the Bolsheviks have made with their pet scheme of constructing a huge steel and iron manufacturing plant at Magnitogorsk, heretofore a small and unimportant hamlet lost in the vastness of the Ural Mountains, and which — according to foreign reports—has sprung into a bustling industrial center. According to the plan, the works will have eight blast furnaces and 28 open hearths, all to turn out 4,000,000 tons of pig iron and 2,670,000 tons of steel, annually. A report has it that so far only two blast furnaces have been put into operation, the total output of both of which for six months of 1932 being 150,000 tons of pig iron. The main importance of this works lies in the fact that it has primarily been designed for the manufacture of war implements.

The progress the Bolsheviks have been making with the Magnitogorsk and other works, relating to iron and steel, has always been a thorn in the Japanese back, so they have retaliated by a plan to build a similar iron and steel works in Manchuria—the celebrated Showa Steel and Iron Works to be built at Anshan, a station on the S. M. R. main line, which already has steel works with the same name. According to the latest press reports the existing Anshan Steel Works is to be amalgamated with the new Showa Works. The immediate plans fall somewhat short of the Magnitogorsk proportions—the Showa Works will have only three blast furnaces and will turn out annually 400,000 tons of pig iron, whereof 350,000 tons will be turned out into steel, the output of the present Anshan Iron Works being included in the same. The construction of the works will be started this spring, the machinery having been already imported and now lying at Dairen Wharves. Vice-Admiral T. Godo, retired, is the head of the Works.

### Japan Will Not Throw Down Gauntlet

The survey of the various Japanese projects, having a military aspect, leads one to think that the Japanese, being realistic politicians and careful strategists, will not attempt a war with the Soviets until these schemes are put into life. Being accustomed to act, and to act decisively, only when all chances are on their side, they will not challenge the Soviets when they feel their position in Manchuria still insecure, when the projected railways, steel works and economic block have not fully materialized, and when the guerilla warfare against them is not yet put down—all told leads one to think that some two or more years will have passed before they will throw down the gauntlet to the Soviets and begin invading Siberia.

Besides the activities undertaken in Manchuria, and which require—as will have been seen from the foregoing—some time for their consummation, the reorganization of the Japanese Army, as proposed by the War Ministry to the present Diet, seems to require at least two years for its accomplishment. In the new plans greater attention is to be paid to the special training of the conscripts, so that as many soldiers as possible could be at home in handling such highly diversified war implements as tanks, armored cars, light artillery, all of which are now being attended to by special corps. Special attention is to be paid to gas warfare, something that has hitherto been more or less neglected—now every soldier will be trained to the use of the gas mask and to a series of defensive and offensive actions employed in gas warfare.

The War Office is also asking the Diet for special appropriations intended for the increase of the commissioned and non-commissioned officers, for which purpose the regulations governing the services under the colors of the graduates of middle schools, are being reconsidered in such a way as to turn out as many officers as possible. A still greater attention is being paid to the augmentation of air forces, since the Manchurian emergency has taught the supreme value of this kind of armament. Now a plan is afoot to organize a special corps of juvenile fliers, for which purpose the Army has already issued an invitation for the enrollment of some 200 boys from 17 to 19 years of age. After two years of extensive training they will be admitted into the army's flying schools with a view to promoting them to be flight officers.

From the foregoing it would appear that the Japanese military machine appears not exactly ready for challenging a major European country, the fighting possibilities of which are not inferior to their own. Being astute tacticians they cannot possibly attack the Soviets at this juncture, when the Manchurian storehouse is not yet in a desirable shape and when there is something wanting in their own fighting forces.

### The Red Army

Is Soviet Russia prepared for war? And in that case how will she be conducting the operations? Comrade Stalin was emphatic in declaring that the country was fully prepared to face any imperialistic invasion. Giving a due credit to the statement coming from such a person as he is, there is, however, reason to believe that the statement was made with some exaggeration, just to impress the possible adversaries at this psychological moment. While in regard to war stocks, needed for modern warfare, the Red Army is supposed to be adequately supplied, it is an open fact that the country economically is wholly unprepared to go through the horrors of another war. There is no lacking in neutral witnesses, who have travelled extensively through the length and breath of Russia, and all of them point out in one voice to the extreme suffering of the populace due to the lack of food, clothing, and other primary necessities of life. With these conditions on hand it would be nothing short of a miracle if Soviet Russia could come out victorous over the concentrated attacks of the Japanese land, sea and air forces.

The Soviet man, whose views have been given in the beginning, when arriving at such a pessimistic conclusion, laid a special emphasis on the Trans-Siberian Railroad, which—according to him—cannot be said to be ready to meet the requirements of wartime transportation adequately—its shortage in rolling stock, dilapidated condition of its track, bridges and station equipment seem to be known to everyone. Because of these reasons the Soviet man was of the opinion that, in case of the Japanese invasion of Siberia, the Red Army will have to fight and be well off only with the forces already concentrated in the Russian Far East and now under the command of Comrade Blucher. Very little help will be forthcoming from Russia Proper, where the presence of peace-time contingents of the Red Army, G. P. U. and Communist Guards will be of primary importance to guard against its own populace. If things come to this turn, Comrade Blucher will have to fight only with those limited forces and resources, which he has now, then the fate of his army seems to be clear—it will have to lose its strategic centers to the marching Japanese Armies and their allies, the White Guards, and will have to turn, as a last measure, to guerilla warfare. How long that war will last is another question—in that case the frontiers between Manchuria and Russia will disappear automatically, then both the countries will be fired by one huge conflagration against the occupying Japanese forces and the regimes they will be maintaining in Manchuria and the Russian Far East.

Changchun, January 31, 1933.

# Sun Fo Speaks on the Chinese Constitution

BY C. Y. W. MENG (孟長泳)

THE Legislative Yuan of the National Government is now being entrusted with two stupendous but important works, having to draft a set of regulations governing the formation, organization and the election of its members, of the People's Political Council, and having to draft a Permanent Constitution for China. A Constitution Drafting Committee has been formed, headed by Sun Fo, the president of the Legislative Yuan, with Chang Tse-pu, a noted Chinese politician, and Dr. John C. H. Wu, a jurist of international reputation, as vice-chairman. The Drafting Committee is said to be divided into various sub-committees which are to study, discuss and work out solutions on some techinical points.

### General Principles

Questioned whether the general principles of the Chinese draft constitution have already been decided by the C. P. C. (Central Political Council), President Sun said that the general principles of the draft constitution based upon the "Five Power Constitution" and the "Three Principles of the People" embodied in the teachings of the late leader, Dr. Sun Yat-sen, the President said that the first step is for the Yuan to draft an outline of the draft constitution which would be presented to the C. P. C. for study and consideration; next the latter would discuss more about the general principles of the draft. Then the draft would be referred back to the Legislative Yuan for more scrutinous study and thoro deliberation by different sub-committees on various technical points. When this is accomplished, the draft would be informally published, so that all people may make a study of the draft and express their opinion for the reference of the Drafting Committee. "Only such a constitution so prepared would serve the purpose and would be practical and useful. The past constitutions did not meet the needs of the time and the people, so they were useless," said the President. The president said that steps had already been taken to collect the materials on the subject, and to investigate the condition of the people in the country, as the preliminary steps toward the making of the draft constitution. The first preliminary meeting was to be held on Febuary 9, "to divide up the task," it was reported.

Sun Fo, President of Executive Yuan

### The Power of the Executive

Questioned whether under the constitutional period, China would have the presidential system or the committee system, Mr. Sun said that according to the outline of the "Reconstruction of China" prepared by the late leader, it is expressly provided that the presidential system should be adopted. "As a matter of fact, the important point is about the definition of the power of the executive, be he a president or a chairman," continued the president, and goes on to point out the complication of the present system. The National Government adopts the committee system, but at the same time the Executive Yuan works as a responsible cabinet under ordinary cabinet system. According to his idea, it is not necessary for China to adopt the western system in its exact form. The scope of the power of the Chinese chief could be one of the following alternatives—that is, either the president (or the chairman) of the Chinese Republic shall be concurrently the head of the executive department of the government, or the president (or the chairman) shall be in name the head of the Chinese republic, representing China within and without, but has no executive duties. Which alternative would be taken will be decided after more discussion.

### The Power of Referendum

The power of referendum is one of the most important powers of the people under the democratic form of government. How such power should be provided in the draft constitution is certainly of great concern to us. Questioned how such power would be provided in the draft constitution so as to be most suitable to the present Chinese conditions, Mr. Sun said that the regulations governing the exercise of the power of referendum in America and European countries are too strict to render this system of any use. "This is nothing short of robbing power from the people, which should be theirs," said the president. He then goes on to say that should the scope of the power of referendum be further extended, it would be a great impediment to the execution of policies; an unneccesssary delay would occur, as a result of exercising the power of referendum by the people. If the procedure of exercising the power of referendum is made more complicated, the people would give up their power. The situation is made more difficult in China due to the fact that the educational standing of the Chinese people is rather low, the census of the Chinese population is rather inaccurate, and the power of self protection is rather weak. "Such conditions within the country render it more difficult for the exercise of the other powers by the people, such as election, recall, and initiative, but the only way to lead us out of difficulties lies in the promotion of education and the early inauguration of the local self-government system," said the president.

### Rights to Land

Dealing with the provisons in the draft constitution regarding the future policy of the government as to land problems, the President of the Legislative Yuan said that the purpose of taking steps to improve the land is to make full use of every inch of the land and to enable the people to enjoy equal rights to the land. "Such is the late leader's principle of Equality of Rights to Land," emphasized the president. In order to put this principle into execution, it is necessary to prevent the occupation and unjustifiable acquisition of land by individuals in an unjustifiable manner. We shall take steps to make the land serve the public, whose development is not the result of efforts, labor, and improvement of their own. The president then suggests several ways to improve the situation. He proposes to levy land taxes, based on its value. The rate of the tax would be increased proportionally to the increase of the value of the land. To the land whose development is not a result of its own labor or, the mutiplying system in the tax rate should be enforced. In other words, the president's idea is to take steps to improve the land through increase of the value of the land and the increase in the rate of its tax. China's Land Law has already been promulgated by the Central Government; the draft constitution would include the outline of the Land Law, when such law is being put in full execution, according to the opinion of the president.

### Toleration of Political Parties

Questioned how the draft constitution would provide regarding the toleration of the political parties, the President said that the proposal of the toleration of the political parties, which has been proposed by the people outside of the Kuomintang members, has met his hearty approval. "The Central Government, for the sake of working for political improvement, is also willing to permit the existence of other political parties," but "they must not be in opposition to the Three Principles of the People; for our country is constructed upon these principles, hence any opposition to these principles is nothing short of an opposition to the essence of the construction of our country." "It is true that in American and European countries, the political parties of different policies are all allowed to exist. China is certainly to do the same. But our circumstances are different. Due to our backwardness in education, communication, reconstruction etc., great difficulties have already been felt in the execution of policies even when our people are of the same political thoughts. Should more divergent views and policies be permitted, we would witness more hardships and difficulties rather than good," said the President.

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### Powers of Amendment of the Constitution

Questioned whether the draft constitution would provide the general scope for amendment of the constitution when the Draft Constitution is being brought up to the National Convention for adoption, the President said that this could only be determined by the demand of the needs of the future. Whether China is going to have separation of "Five Powers" in future, is also to be determined by the majority opinion, pointed out the President.

"A paper constitution could easily be drafted overnight, but in order to make the constitution enforceable and practicable and to meet the needs in the country, it is necessary to first make a thorough study of different constitutional systems in the world, and to study them thoroughly and to take into consideration the present conditions in our country before a draft could be made out," said Dr. Wu, a noted jurist, vice-chairman of the Drafting Committe.

Among forty members of the Drafting Committee practically all of them are lawyers, jurists, and well-known politicians. A half year has been set aside to complete the drafting of the Chinese permanent constitution.

### People's Political Council

Owing to the complicity in the laws of organizations of different governmental organs under the National Government, the Legislative Yuan is said to have organized a "Codification Committee" to improve, revise, and simplify the laws of organizations. The president of the Legislative Yuan is quoted to have said that it would accomplish this work within one year, and he is further quoted to have said that Tai Chi-tao, the President of the Examination Yuan would be made the chairman of the Codification Committee.

Referring to the formation of the P.P.C. (People's Political Council), through which the people would have direct voice in the government, Mr. Sun said that preliminary meetings had already been held to discuss the problem. The Legislative Yuan would first draft the general outline regarding the organization, duties and the tenure of office of members, of the Council. As to the scope of its power, it has yet to be decided. "The Legislative Yuan is an organ directly under the National Government; and at the same time, it is a law-making body. The P.P.C. does not come under the National Government, but it is an organ representing the public opinion of the people, and it is not a technical law-making body. So, from these differences in duties, it is clear that the P.P.C. has more to do with political affairs than legislative. But inasmuch as both of them are more or less representing the people, we should work hard during the present period of Political Tutelage so as to hasten the early completion of the period of Political Tutelage and early inauguration of the period of constitutionalism," said the learned president.

Dealing with the formation of the P.P.C. the president said that it would be formed in accordance with the resolution adopted at the 3rd Plenary Session of the C.E.C. (Central Executive Committee) of the Kuomintang. "We would use two ways to make up the membership of the Council; that is, both by election by the people, and by appointment by the government. But the number of the elected would be far greater than the appointed. We would adopt the system of indirect election—that is, election of the members by legitimate public organizations—but we would not use the general election system, as we are not yet ready for the adoption of this system," said the president.

Questioned as to the future works of the Legislative Yuan, the president said that it would not only be engaged to translate the foreign laws and to incorporate them in the Chinese laws, but more attention would be paid to the study of the Chinese customs and conditions, so as to make the Chinese laws more enforceable and useful. "In revising old laws and making new ones for China, we should not merely get materials from foreign sources by translating the foreign laws. We have first to make a study of Chinese customs, conditions, etc. and make our laws in such ways as workable, and practicable, under present conditions. So the members of the Yuan should take every opportunity to study and investigate the Chinese customs and conditions, for their reference—which would make our works far easier and our efforts more useful to our country," concluded the President of the Legislative Yuan.

Shanghai, Feb. 5, 1933.

# How the Sino-American Fur Industry Is Affected by the Japanese Conflict

*(From the Review's Correspondent in Tientsin)*

ALTHOUGH they may not realize it, American women as well as women of other lands to a lesser extent have a special reason for interest in the present conflict between China and Japan in the Tientsin district. Tientsin is the gateway through which pass each year many millions of dollars worth of furs for the United States and other markets. Some idea of the importance of this trade may be gained from the fact that exports of five different items alone last year amounted to nearly $3,000,000 in U. S. currency. And this in the face of the depression.

It doesn't require long residence in Tientsin to discover that this is a "fur" town. In one short block the writer counted the sign-boards of more than a dozen export firms and according to the *Oriental Fur Trade Review*, house organ of the industry here, there are in prosperous times, between 150 and 200 dealers occupying office space in the city. Each firm has its staff of experts, foreigners and Chinese, who are skilled in the intricacies of this highly-specialized industry which depends so much on the whims of womankind. Although most of the foreigners regard New York their home-port, one often wonders how many of them ever saw the American metropolis. The universal language is Russian and practically to a man they are members of the Tientsin Jewish Club, popularly known as "Kunst." Although the club is maintained chiefly for business purposes, it also has its social side and frequently stages plays, most of them being of the Russian folk-lore variety, for most of the fur dealers are emigrees from the late empire of the Czar.

But it isn't necessary to visit the Kunst Club to learn about the Tientsin fur indutsry. One hears it discussed in the local Rotary Club, chamber of commerce, hotel lobbies, and also possibly in church for the fur business constitutes more than half of Tientsin's exports to the outside world, chiefly to the United States. American and European banks and insurance companies maintain imposing office buildings here and the upkeep directly or indirectly comes largely from the fur trade. Although the business is now seriously depressed, it is not unusual in good years for the trade in one single species of fur to exceed G.$2,000,000. The total trade of Tientsin and the Manchurian provinces in 1929 exceeded G.$20,000,000 in American gold dollars.

### "Furs" and "Skins"

It is here that one learns that the word "fur" is a broad term and in some instances may cover a multitude of sins, or more correctly speaking, "skins." There used to be a time when the word "fur" was understood to stand for sables, foxes, weasels, marmots, squirrels and such animals. But in recent years the terms has been broadened to include dog-skins, wolves, lambs, goats, rabbits, leopards and even young Mongolian ponies. The Chinese receive much of the credit for "broadening" the fur market, for in the opinion of the buyers here, there is no race in the world which has done more for the fur trade than the Chinese. The Chinese, particularly the northerners and including the Mongolians and Manchus, have always known furs and worn them in abundance. Thus they learned the art of adapting common skins for wearing apparel. It's a common expression among the Chinese that they use fur clothing in place of heated homes. Among the peasants it is the common sheepskin; among the wealthier classes and officials it is the fox, frequently the "silver" variety, sables, marmots, kolinsky and what have you. The wealth of an older type Chinese family frequently was estimated in terms of its possession of fur garments. Should the family meet adversity, the first step was to the pawn-shop with a supply of fur garments and it is no secret that the pawnshops of which there seem to be at least one in every block, constitute an important source of supply for the astute Tientsin buyer. But the chief market in Tientsin is in what is known as "raw" and "dressed" fur-skins and in "fur-plates." Fur-plates is a trade term that stands for a piece of fur-bearing-skin, rectangular in shape, which is made up by sewing innumerable small pieces together. The Chinese fur-dealer and his Russian partner waste nothing, not even the ears of the animal, in proof of which the writer noticed in the American consulate-general at Tientsin a list of export items which included "ear-plates." This means that milady's fur coat bought in a Chicago shop may actually be composed of carefully-matched skins from the ears of some animal or rodent that frequented the mountains, valleys or sandy wastes of Mongolia. Some of the furs exported from Tientsin come from the farthermost part of Mongolia, Chinese and Russian Turkestan and are transported to the rail-heads by camel or man-caravan that may require fifteen months of steady travel. This helps to explain the cost of some of the types, but not all of it, because a financially embarrassed Chinese government also takes its toll in the form of export duty, inspection tax, and other imposts, including tax barriers along the way, formerly known as "likin," now popularly supposed to be abolished, but not entirely, as the Tientsin buyers assure one.

Some of the leading items one finds listed in the fur-trade house organ include, kolinsky, marmot, squirrel, fox, weasel, sables, stonemartin, palmi, badger, wolves, lamps, kid-skins, kid-plates, lamb-plates, head-plates, ear-plates, rabbits, leopards, lynx-cats, lynx, dog-skins, raccoons, lamb-leg-plates, golyaks, wolves, tails, paws, pieces and cuttings. Then in addition one finds various classifications under some of the items such as "moire" lambskins, and thereby hangs an interesting controversy which is now at white heat wherever fur-dealers foregather. Technically, a moire-lambskin, is the skin of an unborn lamb of a species of sheep that frequents the plains and mountains of Outer-Mongolia, Chahar, Suiyuan and Sinkang. Some weeks ago the Chinese Government placed a ban on the export of this type of fur or skin, the reason being a mixture of humanitarianism and economics. It was charged that the gathering of such skins was inhumane because it necessitated the killing of the mother-beast prior to the birth of her young. Secondly, it was leading to the extinction of this type of animal. The result was consternation and gnashing of teeth in the Tientsin fur trade where this item bulks large in the exports of the port and constitutes livelihood for numerous firms and probably tens of thousands of Chinese stretching back into the hinterlands of interior Asia. The Chinese government, in announcing the ban on export must be given credit for its convictions for it thereby would have lost revenues in export taxes amounting to well over a million dollars annually.

### Fur Trade Organ Banned

The fur-trade organ at Tientsin devoted several columns of protest against the ban in its September issue. Then the Chinese post office banned the circulation of the *Oriental Fur Trade Review*, but explained the reason on the ground the magazine had not been properly registered at Nanking. L. D. Epstein, member of an export firm and concurrently editor of the fur-trade organ, argued that the ban on the export of this type of fur from Tientsin, would merely have the effect of driving the business into Soviet Russia or into Japanese-controlled Manchuria. Also, he argued that the production of this type of fur-skin does not lead to extinction of the species because the Chinese herders only slaughter a certain percentage of their flocks each year anyway. As to the humanitarian argument he had nothing to say, but there was considerable allegation that Nanking's action had been inspired by a Shanghai hide and skin dealer who was jealous of Tientsin's prosperity. It should be explained that a "moire sheepskin" is the skin of an unborn or still-born lamb. The hair or furry part is fine in texture and closely curled, but quickly uncurls and straightens after the animal has been born. Naturally the collection of such skins involves the slaughter of the mother animal prior to the birth of her young; however, it is claimed in Tientsin circles that the Chinese recently have discovered a method of preserving the curl in the hair or wool after the lamb has been born. But in any case it involves the killing of the lamb. Owing to the demand for these skins, particularly in the United States, the prices for a single piece or skin of a small lamb, brings more in the market than would the much larger skin of the adult animal, with its carcass thrown in for mutton in the bargain.

Apparently as a result of the protests of the Tientsin fur dealers, the Chinese authorities finally decided to postpone the ban on the export of moire lamb-skins for a period of two years. Tientsin became happy again.

Much could be written about the "tricks of the trade" as they allegedly are practiced in this producing and exporting market. One fur dealer was asked what became of the thousands of Mongolian dog-skins which are exported annually. He waved his hands in characteristic fashion and replied, "dog-skins are good for everything, including silver-foxes." Elaborating further he said that while a genuine silver-fox sells for G.$75 to G.$100 a skin in this market, a Mongolian dog-skin sells for only G.$9 and can be made into a good imitation of three or four silver-foxes. However, it is illegal to mis-label such skins in the United States, so it is claimed the skins frequently are transshipped to Europe where the mis-labeling is done and this saves the conscience of the retail merchant in the United States who actually may not know the real origin of the skin. The Chinese dealers, of course, are most expert in the preparation of skins for market, having behind them many centuries of experience. But it was denied that a Chinese dealer could convert a Mongolian pony hide into a sable although he allegedly can do about anything else.

The demand of milady of the Occident for furs results in a constant search for new species, one dealer telling of the discovery of a species of rat in Tibet that almost caused a riot in Tientsin circles, but the excitement subsided when it was demonstrated that the new fur, although superb in coloring and texture, did not possess sufficient strength for converting into garments or neck-pieces.

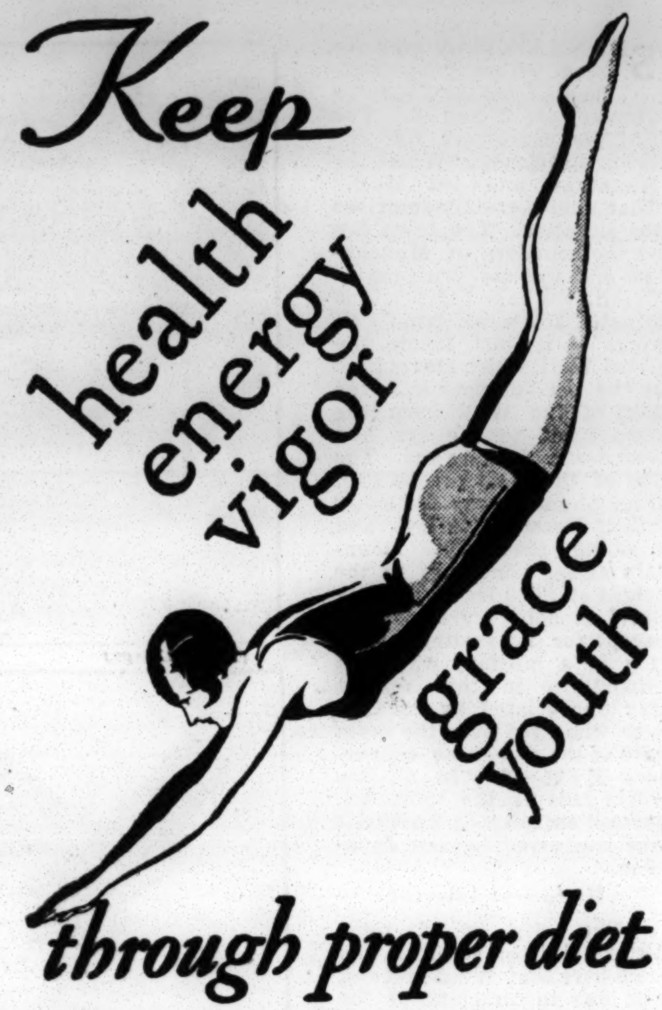
### A Football of International Politics

Needless to say the magnitude of the fur industry in the Far East has made it a football of international politics. Up to the Soviet absorption of Outer Mongolia, furs and skins from that important area flowed out to the western markets through Kalgan, Peiping and Tientsin. Soviet control of Outer Mongolia resulted in the immediate closure of the Kalgan trade route and Tientsin suffered a serious setback. But Tientsin survived and world prosperity resulting in an abnormal demand for furs caused Tientsin to forget the loss of the Outer Mongolian trade. However, Tientsin is not now so certain about the future, for combined with the world depression have come the Manchurian complications. Previously much of the Manchurian fur output reached the outside world through Tientsin because the market here was better than either Mukden or Harbin. Chinchow was once an important market. But Japan is looking after the Manchuria fur market now and although some dealers state the market has been somewhat improved due to the Japanese abolition of some of the burdensome Chinese taxes which previously existed, the non-Japanese dealer is not so certain about his future from the standpoint of competition with the Japanese. With the Japanese in control of communications and finance, Tientsin dealers fear the future market will be dominated by the Japanese exclusively.

Finally there is the prospect of further Chinese-Japanese complications in the Tientsin-Peiping area with the shadow of Japanese dominance of this area similar to Manchuria. Should the Japanese become dominant here, Tientsin dealers fear a Japanese control of the fur trade. However, this would not stop the trade: it would mean switching it from America, European and Chinese control to the Japanese. That might result in higher prices for the consumer, but of immediate concern, serious fighting and political disorder probably would stop the business altogether.

## Japanese Concubine of Chang Tsung-chang Receives Additional Grant

**Although the 16 concubines of General Chang Tsung-chang, the warlord of Shantung who was assassinated some months ago, have been each given $3,000 and sent away, the aged mother of the late general was recently threatened by the youngest concubine of her son, a Japanese who is still in her teens. The matter was settled, through the good offices of the former Japapese advisor of General Chang. A total sum of $10,000 was given to the Japanese concubine, who has in the meantime returned to Japan.**



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# PHOTOS OF SHANHAIKWAN BOMBARDMENT

*(By Courtesy of "Le Journal de Shanghai.")*

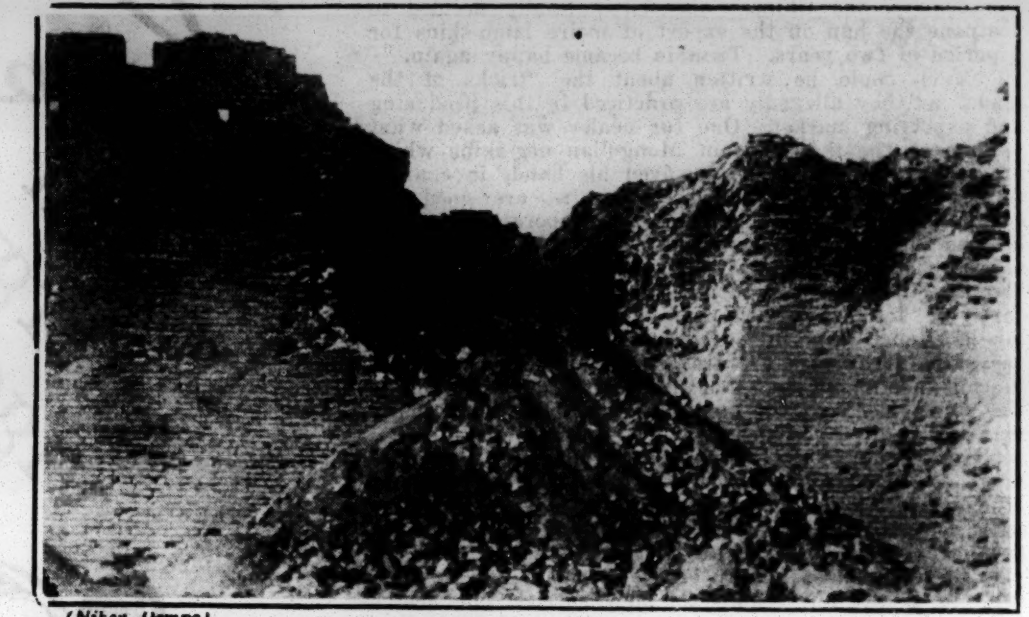
SHANHAIKWAN was the scene of heavy bombardments from the Japanese January 1, 2 and 3. The Chinese characters for the town, 山海關 mean "Where the Mountains and Sea Meet." That almost exactly describes the situation. The town lies on the boundary of Manchuria and the old province of Chihli, now called Hopei. It is situated 260 miles from Peiping. It is just inside the Great Wall, which starts here at the sea—or near it, as the part of the Wall from the town itself to the sea had been destroyed long ago. The line of the Wall can be seen from Shanhaikwan for many miles crossing valleys and climbing precipitous mountain sides, sometimes to the height of 1,000 feet. The city itself is not very important except for its strategic position in a military way. Its importance in this respect was appreciated by the Chinese who used over the main gate of the city these characters 天下第一關 ("In all the world this is the most important entrance.") That gate was destroyed by the Japanese.

### Historical Interest

The city is of some historical interest as it was from here that Wu Sen-kwai, who was in command of the local garrison, appealed to the nearby Manchus to come to the aid of the Ming Dynasty and regain Peking from the rebel Li, who assumed the title of Emperor and advanced on Peking almost three centuries ago. The Manchu troops occupied the city in May, 1644, and shortly thereafter made their victorious entry into Peking. In fact most of the history of the city has to do with the military affairs of China and Manchuria. Shanhaikwan was a scene of great activity during the Boxer siege. It was there that the foreign troops were landed for their march on Peking in 1900.

⁂

Since the capture of the town, the Japanese telegrams continully speak of Chinese movements to effect its recapture and the nearby Chiumenkow Pass. The latest to this effect was a *Rengo* telegram from Shanhaikwan Feb. 7, reading as follows:—"Decisive orders from Marshal Chang Hsueh-liang are believed to have been responsible for a sudden strengthening of the Chinese lines along the right bank of the Shih Ho, since last night. The Chinese troops in this area are under the direction of General Ho Chu-kuo and are, to all appearance, preparing for an attack on Chiumenkow. Strict vigilance is being maintained by the Japanese troops."



*(Nihon Dempo)*

*(Nihon Dempo)*

*Above*—Ruins caused as a result of bombardment of the Great Wall of China by Japanese bombing planes.

*Left*—Hexagonal Tower at Shanhaikwan, destroyed by bombardment.

*Below*—Japanese troops arriving to take possession of the Hexagonal Tower.

*(Nihon Dempo)*

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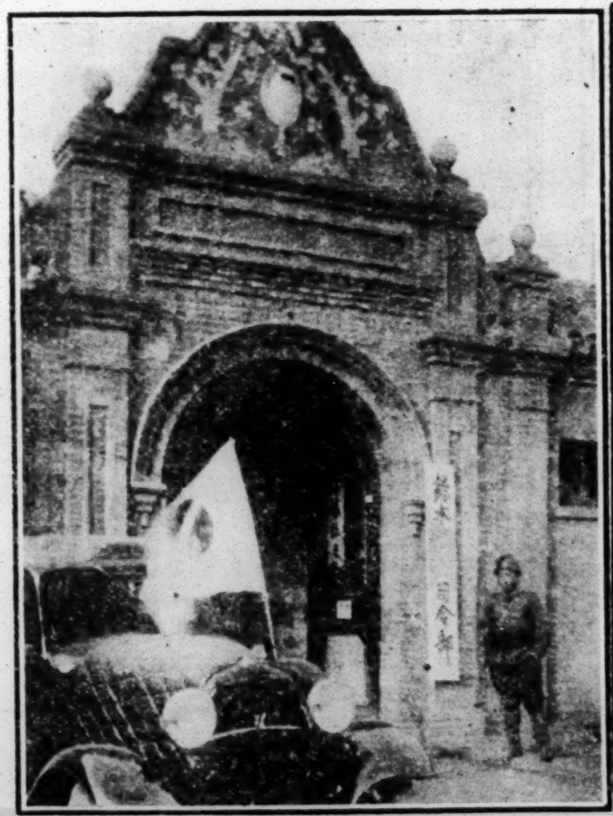
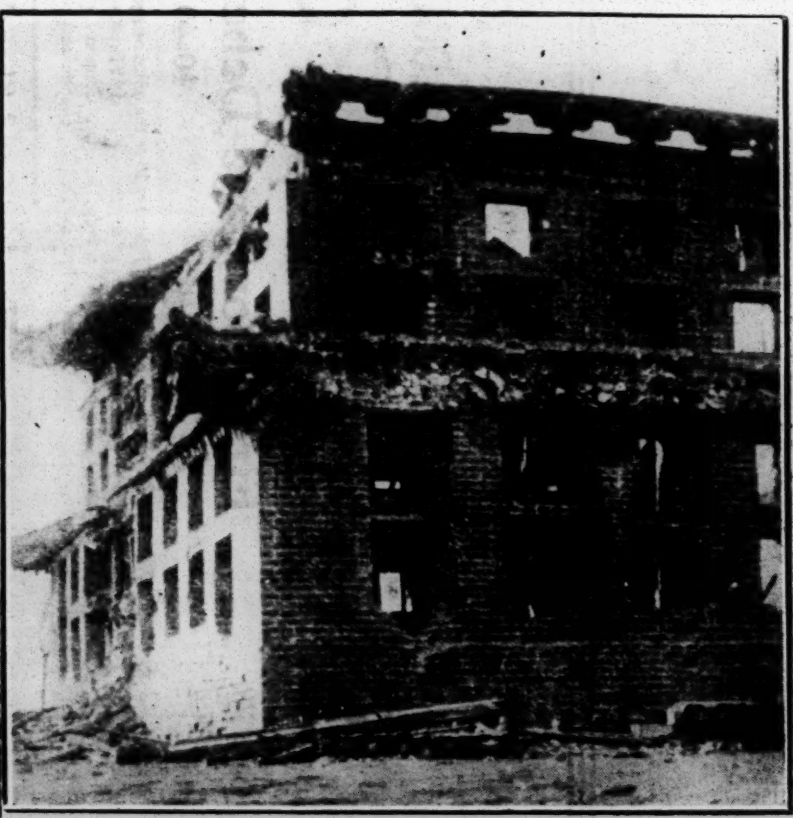


Entrance to the General Headquarters of the Japanese troops at Shanhaikwan after the capture of the town.—*(Nihon Dempo)*

*By Courtesy of "Le Journal de Shanghai."*



A dwelling house at Shanhaikwan that suffered greatly from artillery shots from both the Japanese and Chinese armies.—*(Nihon Dempo)*

*By Courtesy of "Le Journal de Shanghai."*

*The undermentioned offering of Tls.15,000,000 represents a portion of an underwritten issue of First Mortgage Debentures of Tls.33,000,000 of which applications have been received for Tls.18,000,000 and allotted in full—the balance is now offered for public subscription.*

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**Hongkong and Shanghai Banking Corporation, Trustee**

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### BUSINESS

Shanghai Power Company was incorporated under the laws of Delaware, U.S.A., in May, 1929. It owns and operates the extensive electric property which supplies the entire electric power and light service in the International Settlement of Shanghai, including the supply of electric power for the operation of the tramways. The Company also serves by bulk supply an extensive area adjacent to the Settlement.

Among the widely diversified industries served are cotton spinning and weaving mills, silk mills, flour mills, paper mills, cigarette factories, shipbuilding works, machine shops, oil mills, egg canning and packing works, ice and cold storage plants, rubber and chemical works, brass rolling and aluminum mills. The Company is also supplying a rapidly growing demand for power in theaters and office buildings for air conditioning.

The number of customers served by the Company is approximately 68,260. Of the 134 major power consuming industries in the territory served directly by the Company 132 take power from the Company. 123 of these take all their power requirements from the Company. The area served by the Company is remarkable for the density of its load.

### TERRITORY SERVED

Shanghai is the commercial gateway to China. It is one of the leading ports in China for foreign and coastwise shipping. The accessibility of the Yangtsze River and the location in Shanghai of the terminals of the Shanghai-Nanking and the Shanghai-Hangchow railway systems make available the leading arteries of trade to the interior. These circumstances all contribute towards making Shanghai a natural center for the concentration of raw materials and merchandise and a natural and economical location for manufacturing industries.

The population of Greater Shanghai is estimated at 3,135,156, of which approximately 1,000,000 is within the International Settlement. The population of the territory served directly or indirectly by the Company is estimated at 2,110,000.

### PROPERTY

The physical properties within the International Settlement owned and operated by the Co[illegible] electric generating station having an aggregate installed generating capacity of 161,000 kilowatts, 227 miles of transmission lines and 807 miles

Under Section B, paragraph 3, of the aforesaid Purchase Agreement, provision was made whereby the Council would cancel and discharge the mortgage upon the request of the Company and the substitution of satisfactory security. The Council has agreed to cancel and discharge the mortgage and to accept as substitute security an irrevocable Letter of Credit issued to it by the Hongkong and Shanghai Banking Corporation.

Under the agreement between the Company and the Hongkong and Shanghai Banking Corporation which includes the provisions as to the issuance of the Letter of Credit, the Company has agreed to deposit with the Bank as security for all advances made or to be made under the agreement Shanghai Taels33,000,000 principal amount of its First Mortgage Debentures, 5½% Series due 1973 which includes this issue. The agreement further provides that the proceeds of deposited debentures will be used for the repayment of advances by the Bank under the agreement and that until such advances are repaid no additional debentures may be issued by the Company unless they are likewise deposited with the Bank.

Upon the conclusion of the arrangement, the indebtedness to the Council will have been paid and the balance of the proceeds of the debentures not applied to such payment will have been available for the general corporate purposes of the Company. The position of the Company will be materially benefited by the arrangement, not only because the interest rate is less than the present interest rate, but because the Company will have replaced a short term debt by long term First Mortgage Debentures and will be in a position to secure more readily and economically the funds needed for its growth.

### SECURITY

The Mortgage under which these Debentures are to be issued will be made to the Hongkong and Shanghai Banking Corporation as Trustee and will, in the opinion of counsel, constitute a direct first lien on the Franchise granted to the Company by the Shanghai Municipal Council and on all fixed property within the Shanghai International Settlement now owned by the Company.

Copies of the Mortgage which sets forth, among other things, the terms and restrictions as to the issuance of additional Debentures will be available for inspection at the office of the Trustee and at the office of the Company.

### EARNINGS

### PROPERTY

The physical properties within the International Settlement owned and operated by the Co[illegible] electric generating station having an aggregate installed generating capacity of 161,000 kilowatts, 227 miles of transmission lines and 807 miles of distribution mains.

### FRANCHISE

The franchise under which the Company operates is, in the opinion of counsel, perpetual, with the option reserved to the Shanghai Municipal Council to repurchase for their own operation, at the expiration of 40 years from August 8, 1929, the entire plant and system of the Company used under the Franchise. If the Municipal Council does not exercise its option to repurchase at the end of such 40 years, then the Municipal Council has a similar right to repurchase at the end of each 10 year period thereafter.

In the event of the exercise of any such option, the Council will become obligated to pay to the Company the then fair value to the Company of the entire system operated under the Franchise and to assume all power contracts. The Franchise provides that such then fair value shall in no event be taken as less than the principal amount originally paid by the Company to the Council for the property plus the cost to the Company of all additions.

### PURPOSE OF ISSUE

The creation of the First Mortgage provides a means by which the Company may readily and economically provide for its financial requirements including the capital necessary for the plant extensions and additions required in the normal continuing growth of the Company. Since the acquisition of the system from the Municipal Council, the Company has provided approximately Tls.16,000,000 for capital additions.

In order to create a First Mortgage it has been necessary to arrange for the cancellation of the mortgage given to the Municipal Council to secure the unpaid installments under the Purchase Agreement dated August 8, 1929 between the Company and the Municipal Council. All installments of principal, amounting to Tls.56,693,910, and of interest, amounting to Tls.12,991,513.22, have been paid when due. As of February 1, 1933 the balance of the purchase price due to the Council amounted to Tls.24,306,090, exclusive of interest

Copies of the Mortgage which sets forth, among other things, the terms and restrictions as to the issuance of additional Debentures will be available for inspection at the office of the Trustee and at the office of the Company.

### EARNINGS

*(In Shanghai Taels)*

| Calendar Year | Gross Earnings (including other Income) | Net Total Income (after Operating Expenses, Maintenance and Taxes but before Depreciation) |
|---|---|---|
| 1929 | Tls.13,837,122 | Tls.6,745,181 |
| 1930 | 15,030,324 | 6,921,414 |
| 1931 | 17,932,689 | 8,076,716 |
| 12 Months Ended Nov. 30 1932 | 16,920,414 | 8,801,000 |

Net total income as above for the twelve months ended November 30, 1932 amounted to more than 4.8 times the annual interest requirements on the Tls.33,000,000 principal amount of First Mortgage Debentures of this issue. Tls.18,000,000 principal amount of this issue have been privately applied for and allotted in full. The balance of Tls.15,000,000 principal amount which has been underwritten constitutes this offerring.

### Table Showing the Comparative Size of the System.

| Year | Undertaking | Units Sold | Maximum Load in K.W. | Annual Load Factor % |
|---|---|---|---|---|
| 1931 | Shanghai Power Co. | 639,080,915 | 122,996 | 66 |
| ,, | Manchester | 377,724,555 | 162,870 | 33 |
| ,, | Birmingham | 359,903,854 | 155,000 | 32 |
| ,, | Liverpool | 279,730,726 | 106,920 | 36 |
| ,, | Glasgow | 237,770,666 | 110,470 | 29 |
| ,, | Sheffield | 206,180,503 | 82,381 | 35 |

*The figures for the systems other than for Shanghai Power Company have been obtained from the "Electrical Times" of London, England, dated May 1, 1932.*

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The permission of the Shanghai Stock Exchange to deal in the Debentures now offered will be applied for, and application made for an official quotation.

Brokerage of ½% will be paid on subscriptions allotted in response to applications bearing the names of members of the Shanghai Stock Exchange.

Legal details pertaining to this issue will be passed upon by Messrs. Hansons, Messrs. Fleming & Franklin, and Messrs. Platt, White-Cooper & Co. of Shanghai and Messrs. Simpson Thacher & Bartlett of New York.

Application forms and copies of the prospectus may be obtained from the undermentioned, or any member of the Shanghai Stock Exchange.

It is expected that interim receipts will be ready for delivery on or about February 10, 1933.

**Applications may be paid in full or on the following basis: for each Tls.100 principal amount of debentures, Tls.24 with application; Tls.10 on June 15, Tls.24 on September 29 and Tls.38.30 on December 29, 1933, and on the terms set forth in the application forms.**

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*Subscriptions may be forwarded to the Hongkong and Shanghai Banking Corporation to be included in the official list which will be opened on February 10, 1933.*

## Price 96 to yield over 5.75%

*(With accrued interest after February 10th)*

**Hongkong and Shanghai Banking Corporation**
**Chekiang Industrial Bank, Ltd.**
**International Savings Society**

**Swan, Culbertson & Fritz** **Benjamin & Potts**

*The information set forth above has been obtained from sources which we consider reliable. While not guaranteed, it is accepted by us as accurate.*

# Significance of Marshal Tuan Chi-Jui's Visit

BY PAUL K. WHANG (汪仲芳).

IT is indeed a happy sign that the leaders of different cliques can come together to air their views and exchange their opinions over tea-cups at this time of national crisis so as to pave the way to make China a united country not only in name but in fact also. Therefore, we are pleased to learn of Marshal Tuan Chi-jui's visit to Nanking and Shanghai, because we are inclined to believe that his meeting with the Nanking officials will bring a rapprochement between the Kuomintang and the Anfu Clique, and also that by means of his political experience and especially his intimate contact with the Japanese he may assist the present government officials in seeking an effective means to resist the Japanese aggressions.

It is highly amazing that the officials of the National Government who have heretofore entertained a great animosity against Mr. Tuan because of his pro-Japanese attitude and his connection with the Nishihara loans have all of a sudden forgot their grievance and extended to the Anfu leader such a royal reception as has been seldom accorded to any other retired political leader. One can not help wondering whether such a royal reception given to Mr. Tuan is genuine and also what is the object of Mr. Tuan's mission.

Mr. Tuan has so far persistently disavowed that his visit has had any political significance. Perhaps he thinks that he is too old to give any advice to the present problems which must be solved by new men with new outlooks. But it is hardly conceivable that a man in his seventieth year would make a tedious journey during wintry weather just for the sake of visiting his daughter or paying homage to Buddhas. If he is eager to see his daughter to renew his love, it will be proper and fitting for him to summon his beloved to his side. If he wants to pay homage to Buddhas, he can find "living Buddha" in the old capital itself.

### Cautious in His Statements

During his short stay at Nanking, he met and conferred with various high government officials including Gen. Chiang Kai-shek himself. What he has ever suggested to the National Government in regard to the Sino-Japanese problems has never been made known to the public, because he has chosen to keep silent. This strict observance of secrecy on his part has naturally elicited the public suspicion over what he has up his sleeve, the more so because of his long known pro-Japanese attitude.

While in Shanghai, he has always been very cautious not to make any public statements which can be interpreted as reflecting upon his political convictions. His noncommittal public utterances has very much disappointed those who have expected to hear some definite statements on the Sino-Japanese situation from no less a political figure than the former chief executive of the defunct Peking government.

Because of his silence, we must be excused for lending our ears to the allegations which appeared in the vernacular press that Mr. Tuan recommended strongly the opening of direct negotiations with Japan to solve the Manchurian and Shanhaikuan incidents during the recent military conference in Nanking with Gen. Chiang Kai-shek, and that he volunteered his service to initiate the negotiations.

It must be said that Mr. Tuan is entitled to air his views as freely as any other individuals and to act accordingly on his own convictions. In recommending direct negotiations, he may act upon his best convictions. In view of China's military weakness in recovering the lost territory and the impotency of the League of Nations to intervene in the Far Eastern crisis, it may be right that there is no other peaceful way to settle the Sino-Japanese impasse except through direct negotiations.

But one wonders what is the use of opening direct negotiations with the Japanese, if the Japanese, as Mr. Tuan told the local press representatives, "have reached a state of mind which listens to no reason." Japan has long made it clear that she will not by any means relinquish her control over Manchuria, while China has been equally insistent in not accepting any formula of settlement without recovering the lost territory. Therefore, there is no half measure to meet the satisfaction of both parties. If China is content to give up her claim to Manchuria, then the present controversy can be speedily settled without the need of opening any direct negotiations.

In spite of his past friendliness and kindness to the Japanese, he cannot persuade the Japanese to leave Manchuria. We are in common with Mr. Tuan longing for peace and resumption of our friendly relations with the Japanese, but we are of the belief that peace should not be bought at the sacrifice of national territory. We have already paid a great price in defending Shanghai, and we are ready to make even a greater sacrifice if it is necessary to prolong our struggle against the Japanese.

Mr. Tuan may have his reasons in advocating and propagating the idea of a Pan-Asiatic movement. But what advantage can China derive from allying with a robber who respects no international engagements and commitments? The racial and cultural ties of these two people can not bind them together, when the Japanese have their continental policy to dream. After all, it must be said that blood is not necessarily thicker than water.

Mr. Tuan, because of his long secluded retirement at Dairen, may not be fully informed of the national feeling of the people in Central and South China. He has been fortunate in not making his recommendation in his public speeches, otherwise he would not receive such a hearty welcome as he has received now.

After a few days stay at Shanghai, the aged marshal has somewhat changed his former stand, and has recently been quoted as saying that he would insist on direct negotiations between China and Japan only on the condition that the latter agrees to return Manchuria first to its former owner. Even with this important modification, we are still not in a position to accept his recommendation, because we are fully aware of the fact that a weak country can not be expected to reach a fair and just settlement with a strong neighbor who is armed to the teeth.

To open direct negotiations with the Japanese is tantamount to the act of surrendering us to the Japanese. Right after the Manchurian embroglio we rejected any Japanese proposal for opening direct negotiations to settle Sino-Japanese problems. Can it be true that after one year and a quarter during which thousands of Chinese have been killed by Japanese soldiers and billions of dollars worth of our properties have been destroyed by Japanese guns, we are now willing to negotiate directly with the Japanese?

### A Reference to the Past

It is of interest to note his conversations with the local press representatives, when he said, "It is time for China to realize the importance of internal peace and the improvement of political and economical situation to strengthen the country in order to withstand outside pressure." It is too bad that he did not discover this truth when he was the leading military figure in China, otherwise China would have long been a strong and united country and would be able to defend herself against foreign agressions.

But human memory is not so short that we have totally forgot the historical happenings of the past two decades. It was the personal ambition of Mr. Tuan to conquer the whole of China that he sponsored the organization of the notorious Anfu Clique and contracted the so-called Nishihara loans for the purpose of financing his party to wage war against his political opponents. The political intrigue of his party backed up by Japanese money was principally responsible for the endless civil wars after the death of Yuan Shih-kai. Had he succeeded in his plan of conquering the whole of China, Manchuria probably would have long been given to the Japanese as a free gift for their kind assistance. Therefore we find it difficult to reconcile his present pronouncement with his past deeds or misdeeds.

In saying this, we have no intention whatsoever to dig up the past history to bring discredit to the aged marshal, but what we deplore the most is that this revelation did not strike him when he was the most powerful military leader in China. A man prior to his death is apt to repent his past commissions or omissions, but his penitence is too late to be of any avail. Therefore, Mr. Tuan's present statement relative to the domestic conditions may be considered in the same light.

The news that he will temporarily stay at Shanghai brings us a sigh of relief, because a man of his political career and his intimate connection with the Japanese is not any more safe to be left alone in the North. The Japanese are seeking the service of the aged Chinese retired political leaders who can be utilized to stage a side show in North China for international diversion. Even though Mr. Tuan may not be so shortsighted as to be a Japanese henchman, yet once in Japanese hands he can only act according to Japanese dictations. Therefore, he is wise in prolonging his stay at Shanghai so as to keep clean his good name which would likely be involved in any Japanese intrigue in the North.

Shanghai, Feb. 7, 1933.

# Divergence of Japanese Opinion on Soviet Relations

Although the Japanese Government has, for the time being, rejected the Soviet proposal for a non-aggression pact, nevertheless the door has not been definitely shut to the possibility of future deliberations on the subject. This view was expressed by Count Uchida, Minister of Foreign Affairs, in a speech on January 21, on the occasion of the re-opening of the Diet, when he said, that "in view of the divergent opinions stoutly maintained in different quarters, the Japanese Government has concluded that the time has not yet arrived for negotiating a non-aggression pact superimposed upon the treaties now in force."

These "divergent opinions" really exist. One day recently the *Japan Times* gave prominence to the views of its new president, Mr. Ashida, strongly in support of a non-aggression pact. A few days later, it carried a full page paid advertisement, in the form of a manifesto by the "Shiunso," which bitterly denounced the Soviet and all its works, including its proposal for a non-aggression pact.

The "Shiunso" is an organization composed largely of Seiyukai supporters, and Mr. Ashida has been selected by the Seiyukai to act as its spokesman on foreign affairs during the current Diet session.

### Japanese Foreign Office Divided

It will thus be seen that the Seiyukai is strongly divided on the matter and *Reuter* says there is also good reason to believe that the Japanese Foreign Office itself holds widely divergent opinions.

The reason for this was reflected in Count Uchida's Diet speech. While praising the Soviet for its circumspect attitude towards the Manchurian trouble, he warned, at the same time, that "Japan must certainly be on her guard against the serious menace to peace in the Orient," if the red movement in the Yangtze Valley and South China should gain in strength as a result of the recent Sino-Soviet rapprochement.

In saying this, he summed up the two opposing points of view on the matter of a non-aggression pact. One advocates the advantages to be gained by closer relations between Japan and the Soviet. The other opposes the pact chiefly because of the fear of the spread of communism.

Both sides, however, are united at the moment in the feeling that Japan has received a deep affront by Moscow's publication of the correspondence on the subject, despite Japan's request that it should not be published. This, combined with the fact that the Note Verbale, presented by M. Trojanowski, Soviet Ambassador in Tokyo, to Count Uchida, which contained what the Japanese Foreign Minister considered an offensive passage, has served to alienate a good part of the friendly sentiment that had been growing up in Japan because of the Soviet's apparently "sympathetic understanding" of Japan's actions in North Manchuria.

### Japan Feels Slighted by Soviets

Although the present feeling of bitterness may pass in time, nevertheless those who share the sentiments expressed by the "Shiunso" and who are still smarting under the remarks directed at them recently by Stalin, in Moscow, are not likely to forget the slight, which they consider the publication of the correspondence to be.

This hostility was well exemplified recently by the appearance of small red and white posters pasted all over Tokyo demanding, in Japanese and Russian, the severance of relations with the Soviet.

Meanwhile, however, there the Japanese chournists hope for the possibility of the formation of a tripartite committee, comprising representatives from Japan, Russia and Manchukuo. This plan was revealed by Count Uchida in the course of a recent talkwith representatives of the Japanese press. He said the committee would deal with such disputes as may arise from time to time as a result of the three frontiers being contiguous to one another. The question of forming such a committee is now under discussion between consular representatives at Harbin.

With the arrival of the new Japanese Ambassador in Moscow, it is possible that formal negotiations may be started to this end between the governments of Japan and Soviet Russia.

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# American Wheat for the North Manchurian Market

BY I. A. DOLLIN

Harbin, February 1, 1933.

DUE to the destruction of a large part of the crops bythe violent flood in Harbin last summer, the banditry, and the fighting between the Chinese and the Japanese troops that has been raging for about a year and-a-half in the most populous, agricultural region in Manchuria, the wheat trade in North Manchuria at the present time is in for a severe crisis. For a number of days no transactions in wheat have been recorded at the local corn exchange. Because of the small supply of wheat in many districts, the district authorities issued regulations prohibiting export of wheat from those districts. Recently a merchant bought twenty cart-loads of wheat in Hulang-He, a district in Heilungkiang province, with a view to bringing the wheat to the Harbin market for sale. When the cargo, being carried in animal-drawn carts, was about to leave the district the authorities at the request of members of the Food-stuff Providing Committee of the district, ordered the cargo to be brought back to the place of its origin. This case and others of similar nature that occurred recently have caused much anxiety among the wheat traders of Harbin. The local Chamber of Commerce after discussing the questions in connection with the conditions on the wheat market here have petitioned the authorities concerned to annul the prohibition for exporting wheat from agricultural districts in the interior of Manchuria.

It is stated in the petition, among other things, that if the wheat trade regulations continue in effect as they are now, Harbin will have to depend for its wheat supply only upon the district of Bintsian, where the surplus of wheat is too insignificant to meet the demand of the big consuming center.

As often is the case at times when such conditions as described above prevail on a market, a most vicious speculation has developed and the prices for wheat advanced by leaps and bounds.

To put an end to the speculation and to provide the population with wheat at reasonable prices, a number of mercantile organizations of Harbin applied to the Bank Union of Harbin with a request to grant them a loan of $300,000, with no interest whatever to be charged. This sum of money, if the loan is granted, is intended for buying American origin wheat, a large proportion of which is lying, in wait for a buyer, stored at granaries in Shanghai, and the price for which, owing to the small demand, is low. The merchants have also approached several shipping agencies for lower tariff rates on the wheat to be transported from Shanghai to Manchuria, and if the merchants succeed in realizing their plans, the American wheat may be bought at Harbin at a price lower than the present prices for this cereal of local growth.

After having the imported wheat ground at the Harbin flour mills the merchants intend to sell the flour directly to the consumers at cost price.

## Manchukuo-Soviet Discussion Regarding Amur-Sungari Navigation

The border line between the U.S.S.R. and Manchuria where the Amur river flows, runs lengthwise in the middle of the river, and the river is divided half and half between the two countries; hence arise navigation questions to be settled between the two countries. In the time following the Sino-Soviet conflict in 1929 a special conference consisting of representatives of the Soviets and the Old Manchurian government was convened. The works of the conference resulted in a project of regulation drafted for governing the navigation on the Amur of the Soviet and the Chinese vessels. But for some unknown reasons the regulations have never come into effect.

Now reports from local administration circles say that with the navigation season approaching, proposals were made to the Soviets by representatives of the Manchukuo Government to the effect that a mixed provisional committee be formed at Sahalan (Heiho) for the settling of all questions connected with navigation on the river. The Manchurian side is reported to appoint as delegates to the committee the higher officers of Manchurian Customs at Aigun, and some representatives of the Ministry of Communications and Foreign Affairs. The Soviet side is expected to be represented by the Soviet consul to Sahalan, and officers of the Amur Steamship Navigation Company of U.S.S.R.

The matters to be settled are: general rules and regulations to govern the Soviet and the Manchurian navigation. Setting up navigation signs on the banks of the river. Rendering, in case of need, mutual help by vessels of both parties. Fixing sums of money to be spent by either side for improving the waterway at shallow places by dredging operations.

Some time ago the Manchurian authorities were approached by the Soviets with a proposal to allow Soviet vessels to navigate the Sungari river, the Soviets giving consent to navigation of Manchurian vessels on the Amur down to the Tartar Strait. The Soviet side of the Committee to be formed may be desirous of putting this question on the agenda. But it is supposed that this important question is to be discussed by diplomatic bodies of higher rank. It is, however, admitted that a discussion of the latter question may take place at the Committee, and, if agreement be reached, it shall be submitted to the respective Foreign Offices for ratification.

## Plans for Soviet-Japanese-Manchukuo Closer Commercial Relations

Mr. Mori, a well-known Japanese economist arrived a few days ago in Harbin. He has taken up his residence in this city. He is not a stranger to Harbin; for until about three years ago he resided for quite a number of years in the city. He was instrumental in establishing the Japanese Commercial Museum at Harbin, which functions to this very hour and remained to be an important factor in diffusing Japanese commerce over the face of Manchuria. Economically, Mr. Mori is quite familiar not only with Manchuria, but also with the U.S.S.R. He travelled extensively in the latter country some time ago and is going to do so again in the near future, according to his statement made in an interview with local pressmen.

His object in taking up his residence in Harbin and his forthcoming activities is to promote the Soviet-Japanese-Manchukuo commercial intercourse. He is of the opinion that Soviet products, such as: timber, naphtha products, printed calico, chintz, etc. could be imported on a scale wider than hitherto done into Japan, in exchange for Japanese manufactured goods, such as, for instance, medical stuffs, machines, fruits, etc. Manchukuo is also to be drawn into the range of commercial activities between the two countries.

To settle the different questions of a purely economic nature, the practical solution of which will lead to closer business relations between the countries, Mr. Mori is going to establish in a short time in Harbin a mercantile organization under the title of Mitsumi, which word, when translated into English, means friendship, and is to be regarded as a living symbol of friendship among the commercial worlds of the three countries.

Mr. Mori visited the managers of all the Soviet mercantile organizations, and also Mr. Slavutsky, Soviet Consul-General to Harbin, and explained the aims and purposes of the new enterprise and means and ways to be adopted by him to attain the aims. In his interview with them he also stated that he considers it as one of the important tasks to make a detailed study of conditions on the Soviet market, with a view to keeping the Japanese business circles well and accurately informed as to the conditions, the demands and supplies on the Soviet market, for which purpose he plans to publish a monthly or a semi-monthly periodical.

The complicated questions of concessions will also be given a thorough study by him and his assistants so that the three countries may be brought to a better mutual understanding on the matter.

## The Chinese Eastern Railway Receipts and Expenditures in 1932

In spite of the many months' suspension of traffic on the C.E.R., caused by the flood and the fighting between the Japanese and the Chinese, the management of the railway, by adopting effective means, succeeded in securing a fairly good profit.

According to the report submitted on January 24, by Mr. Rudi, general manager of the C.E.R., to the Board of Directors of the Railway, the railway receipts and expenditure for the last year were as follows:—

The total revenue of the railway including the income from the Japanese military transportations amounted to .............. ........................ 15,975,835 Gold Roubles

*Expenditures:*

| | |
|---|---|
| Spent on new works | 323,206 |
| Assigned to the Chinese Governmental Institutions | 2,652,970 |
| Alloted to "particular estimates" including maintenance of the Police and Schools | 3,117,157 |
| Extraordinary expenses in connection with the damages caused to the railway: (1) by the flood last summer | 1,092,599 |
| (2) by the fightings around the Railway between the Japanese and Chinese | 327,555 |
| Assigned to reserve funds | 395,500 |
| Total Expenditure | 7,933,987 Gold Roubles. |
| Net Profit | 8,041,848 Gold Roubles. |

The income of the Railway from the Japanese military transporations totalled 10,324.178 gold roubles. Of this sum only 1,455,000 has been paid by the Japanese. The balance is expected to be paid before long. The manager presenting the report called to the attention of the Board of Directors that there should be found some way to collect the remaining debt from the Japanese.

The loss of the Huhai Railway due to the inundation, and fightings amounted to Roubles 1,544,000, according to official reports submitted by the Administration of the Railway to the Ministry of Communications of Manchukuo. From recent press reports it is inferred that this railway failed to cope with the task of taking over cargoes for further transportation from the C.E.R., thus causing a loss to the latter railway, and much inconvenience to shippers.

### Some Observations by a Russian Tourist on Y.M.C.A. Activities in the Far East

Yesterday at a five o'clock tea arranged by the local branch of the Y.M.C.A., E. H. Nilus, a lawyer, who recently, after touring Japan, visited Shanghai and other centers of China, delivered a speech on the Y.M.C.A. activites to the guests, among whom there were scientists, pressmen, and prominent members of the Russian community of Harbin.

Mr. Nilus said that as a result of his having had letters of recommendations from H. L. Haag, Senior Secretary of the Y.M.C.A. in Harbin, he enjoyed the warmest hospitality of the Y.M.C.A. branches in the Chinese and the Japanese cities visited by him on his tour, and had opportunity to make observations of the activities of this world-wide known organization. With feelings of intense gratitude he spoke of W. W. Lockwood, General Acting Secretary and head of the Chinese section of the Y.M.C.A. at Shanghai, who explained to him all the matters regarding the Y.M.C.A. work at Shanghai and elsewhere in China. This gentleman, said Mr. Nilus, is entirely absorbed in his work. He has a complete knowledge of the Chinese language, and a thorough understanding of the individual and social psychology of the Chinese people, which enables him to conduct his work with great efficiency.

Being hitherto only slightly acquainted with the Y.M.C.A. activities, Mr. Nilus said that he was very pleasantly surprised at the large scale on which the work is carried on. The branches of the Y.M.C.A. in different big centers of Japan and China have at their disposal large buildings specially adapted for the multifarious work of great cultural significance carried on by them. In financial respects, all the branches work on the basis of self-support.

Speaking of the work of the Shanghai branch, Mr. Nilus stated that in his opinion, since the Russian colony of Shanghai has grown large enough, it would be beneficial both to the organization and the Russian population of that city, if a Russian section were opened at the Shanghai Y.M.C.A. branch. He thinks that, if opened, the Russian section in Shanghai would be as successful in its work as that in Harbin.

The Y.M.C.A. in Harbin has grown in a comparatively short time into the largest educational organization of the city. The most important point to note is that while other organizations of this or similar type, both Russia and foreign, due to the economic crisis and the unstable political situation in the country, are on decline or have stopped in their growth; the Y.M.C.A. in Harbin continues to develop. At the present time it has a High School for Russian boys and girls, School of Business and Foreign

(*Continued on page 451*)

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## American Senator Is Horrified by Manchukuo Opium Monopoly

James J. Davis, senator from Pennsylvania, in the course of a speech in connection with the narcotics problem in the U. S. Senate, Jan. 3, said he had learned with horror that the Manchukuo Government had promulgated provisional regulations governing the sale of opium for smoking purposes to the general public. This step was taken preparatory to the adoption of an opium monopoly system, for which a committee was to be appointed to make all the necessary preporations. In this connection, Mr. Davis said: "I am informed that the Japanese Government is now arranging for a loan which will be secured by sales of opium for smoking purposes to the Chinese of Manchukuo. Does that mean that the Japanese Government is taxing sales of opium for smoking purposes in Manchukuo to secure revenue? This means that a revenue-yielding opium monopoly will soon legally supply opium with which to drug those Chinese in Manchukuo who have not yet fallen victims to the illicit traffic in morphine, heroin, and cocaine. In December, 1913, Congress passed a joint resolution in which it was stated that the United States of America, in dealing with the traffic in habit-forming narcotic drugs within its own Territories and possessions, notably in the Philippine Islands, and in co-operating sympathetically with its opium problem, has always been committed, without regard to revenue, to a program for the complete suppression and prohibition of the production of and traffic in them except for strictly medicinal and scientific purposes. Much criticism as has been leveled at some of the European powers for revenue-producing opium-smoking monopolies in the Far East. I can not find words adequate to cover the justifiable criticism that might be leveled at this proposed opium-smoking monopoly in Manchukuo, and I believe that this Government and other signatories to The Hague convention should lodge an immediate protest against what is a clear violation of the terms of that solemn convention."

## Infringer of Commercial Press Books Receives Prison Sentence

Wai Ping-nan, who was changed with infringing the trade mark of the Commercial Press educational classics by printing approximately 12.000 copies of books on which the firm has sole rights, was found guilty by the First District Court in Shanghai Feb. 6 and sent to jail for three months. He was also ordered to pay a fine of $200. A raid by Kashing Road police under Detective Sergeant Crossley of 633 East Yalu Road, following a report made to the station by the Commercial Press, proved that the premises were being utilized for mass production of the infringed school classics. Later the same party of police, with the assistance of French police raided a printing works in the French Concession where the prisoner was taken into custody.

According to a representative of the Commercial Press, the accused's activities had been watched by them for some time and they determined that he was sending the infringed books to various parts of the country where their own classics were on sale. He asserted that the Commercial Press would suffer a great loss in this line if the printer were freed.

## Akron Rubber Man Says U. S. Will Remain on Gold

That the United States is not likely to go off the gold standard was the gist of a statement made by S. W. Caywood, vice-president of the International B. F. Goodrich Corporation, of Akron, Ohio, in an interview with a *China Press* representative in Shanghai Feb. 6. In discussing the world monetary situation Mr. Caywood declared that it was his opinion that the currency of the United States would be kept on a gold basis despite the present exchange. Questioned concerning the possibilities of heavy losses in America's export trade, he stated his country's foreign trade had not suffered heavily as a result of exchange rates. He further pointed out that the losses which had occurred were not the results of exchange rates but rather due to preferential tariff barriers.

Upon completing his stay in China, Mr. Caywood plans toleave for the south, visiting the Philippines.

## Dr. Yen Protests Against Propaganda Written by George Bronson Rea

Dr. W. W. Yen, Chinese Ambassador to Soviet Russia and chief of the Chinese delegation to the League of Nations, protested at Geneva Feb. 2, to Sir Eric Drummond, the retiring Secretary-General of the League, against the distribution in Geneva of documents and propaganda written by George Bronson Rea, advisor to the Manchukuo Government.

Dr. Yen objected strenuously to the action of Mr. Rea in filing documents with the League of Nations Secretariat for distribution by the Secretariat to representatives of governments holding membership in the League. The League of Nations, Dr. Yen pointed out to Sir Eric Drummond, does not recognize Manchukuo. Thus the Secretariat, the Chinese delegate argued, should not act as a distributing agent for the Manchukuo regime.

Dr. Yen declared that representatives of Manchukuo are distributing propaganda documents in Geneva at the request and instigation of Japan. Japanese guidance of Manchukuo policies and activities, the Chief Chinese delegate informed Sir Eric Drummond, showed that the creation of Manchukuo as a so-called independent State did not arise from spontaneous action or spontaneous desire on the part of the residents of Manchuria.

Mr. Rea has been active in Geneva, delivering speeches, distributing propaganda and engaging in conversations with delegates to and officials of the League of Nations.

## Hundreds Are Insubordinate in Netherlands Navy

Naval authorities in Java have caused the arrest of 435 Netherlands navy men who have been arrested at Soerabaya. They will be courtmartialed on charges of insubordination.

The arrests followed the second outbreak in the Netherlands Navy within a week and grew out of dissatisfaction and unrest following a pay reduction of 17 per cent. The men had expected a 10 percent reduction.

Most of the men are Javanese with, but a few Madurese among those who refused to obey orders and attend the regular morning parade.

The first case of insubordination took place when the Netherlands cruisers *Evertser, Piethein* and *Java* were at Soerabaya. Forty of the men refused to obey orders and were arrested. They were left at Soerabaya while the war vessels continued their cruise. Later, one vessel, *Die Zeven Provincen*, was seized by mutineers and proceeded to sea with nine officers in irons. Other units of the fleet prusued the mutionous vessel, which later wirelessed its surrender.

## Tuberculosis Causes 25 Percent of Deaths at Peiping

Dr. James L. Maxwell, head of the department of field research of the Henry Lester Institute of Medical Research, Dr. F. C. Yen, superintendent of the Chinese Red Cross Hospital, and Dr. H. H. Morris of the St. Luke's Hospital, who is also the vice-chairman of the Chinese Medical Association, have expressed themselves as strongly in favor of the formation of an anti-tuberculosis society in Shanghai, as recommended by Dr. G. F. Bume in his recent address before the Shanghai Medical Society. It may be remembered that in the course of his address, Dr. Bume mentioned that tuberculosis claims a heavy toll in Shanghai and all China every year and that while no exact figure of tuberculosis victims is available for Shanghai, an average of 25 per cent of the persons who die in Peiping, die of tuberculosis.

## Tibetan-Sikang Situation Remains Tense

Recent advices from Chengtu report that the relations between Tibet and Sikang remain tense. The latest reports from Tehkeh state that the Tibetan troops on the Sikang border are again showing signs of activity. Against this threatening situation, there is only one brigade of Szechuan troops at Tehkeh. The commander of this brigade, the Second Brigade of the First Frontier Defence Division, Teng Hsiang, is now at Tehkeh. The Chinese defence-line is held by a very small number of Chinese outposts, and many soldiers have deserted on account of the unbearable cold in the mountain regions. It is generally feared that, in case of an actual Tibetan offensive, the Chinese defence forces cannot possibly hold their line unless reinforcements are rushed there in time.

# Eugene Chen Urges Severance of Relations with Japan

Eugene Chen, former Minister of Foreign Affairs, who arrived here from a tour of Europe recently, opposed any suggestion of China's withdrawal from the League of Nations, in an interview with Shanghai newspapers February 6.

In explaining his stand against China's withdrawal from the League the Chinese diplomat stated that although China cannot rely upon the League in all things she may look upon her as a "big broadcasting station." While confessing that the League has been unable to settle many problems Mr. Chen said, that it is not wise to effect withdrawal merely as a "gesture."

Asked as to whether his strong policy towards Japan has been changed Mr. Chen answered in the negative, asserting that the severance of diplomatic relations with Japan and the "resistance on a nation-wide scale under modern leadership" are absolutely necessary. In this connection Mr. Chen stressed the "modern leadership" in the absence of which the policy could not be carried out with success. The forced withdrawal of the 19th Route Army during the local Sino-Japanese hostilities was cited as an example. He further stated that he is not of the opinion that resistance should be "hidden."

Mr. Chen regretted that China lacks a national policy. A unified strong national policy was necessary, he said.

Mr. Chen said he had been informed that an understanding had been reached between Great Britain, Japan and France in Tokyo the binding power of which was said to be as strong as that of any written treaty. In order to preserve peace in the Far East a hint was given to the British Minister by the Japanese Foreign Minister to turn the attention of his government to India and the French Minister to Indo-China, Annam and possibly Yunnan. Mr. Chen said he thought that the Chinese boycott on Japanese goods would turn India into a good market for Japanese goods.

Mr. Chen also answered the opposition against his policy of severance of diplomatic relations with Japan. He said that any small country in Europe, if put in the same situation in which China finds herself, would adopt his policy. The Chinese, he said, should be "manly." Besides, it was explained, although Japan may consider the policy as a declaration of war, China can well excuse herself by citing the Powers in respect to their relations with Russia while Japan will have no pretext if she chooses war because it has been outlawed by the Kellogg Pact. "Furthermore," stated Mr. Chen, "I would not stop there; I would appeal to the signatories to the Nine-Power Treaty and pull in the United States."

Mr. Chen denied that he was going to Nanking to resume official connection with the government, and he also rejected the suggestion that he came back in response to a call from the government. "My wife and I returned to China according to schedule," he remarked.

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## AMERICAN WHEAT FOR THE NORTH MANCHURIAN MARKET

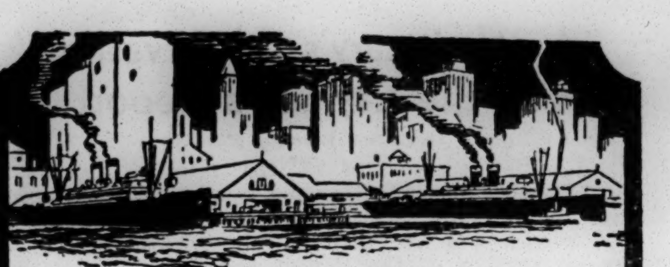
(*Continued from page 449*)

Languages, and a College comprising two faculties pedagogical and economical. All these three institutions are directed by H. I. Haag. The total number of scholars is seven hundred.

Last autumn officers of the local Y.M.C.A. in cooperation with a group of Russian educationalists of Harbin, opened a higher polytechnic school. At the inauguration of the school only twenty students were present, but at the present time its has grown and is in full swing. There are few vacant places, and new students continue to enroll.

Besides the above-stated educational establishments there are different clubs organized and conducted by the Y.M.C.A., and a library, one of the best in the city, in which books and periodicals in Russian and all European languages are found.

The officers of the corporation of American nationality are effectively assisted in their work by the Russian personnel who are employed as teachers, secretaries, bookkeepers, etc.



"How long will it take?"

—*said the Buyer*

"THAT DEPENDS," said the seller. "If we ship VIA SEATTLE it won't take so long!"

"Ship them VIA SEATTLE, then! The sooner they arrive, the sooner we can sell them!" And the buyer was pleased to learn of the short United States route from the Orient to American markets.

In the future, you may be assured, that buyer will specify the route VIA SEATTLE on his own requisitions. Likewise the shipper on his shipping instructions. And the story quoted above is repeated several hundred times each year, with the natural result of increased tonnage for the modern Port of Seattle.

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*All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.*

## A Missionary's Observations on the Laymen's Report

To the Editor, *The China Weekly Review*:—

The few suggestions of the released reports of the Laymen's Foreign Mission Commission which accord with Christ's plan should receive the consideration of missionaries and the foreign mission boards, but the general attitude of the Report and many recommendations of the Commission are opposed to Christian missions as conducted by evangelical denominations. We missionaries do not mind having our work judged by sympathetic observers, but it is evident that those who have recently appraised missions in the Far East are opposed to the work as we are seeking to do it for the Lord who has called us and as representatives of the Christian people who sent us here. Our work has been unjustly criticised by men and women incapable of doing so for they do not see as those who forwarding the enterprise. If the right kind of laymen had come to make this investigation a different kind of report would have been given, one that would encourage God's people and move them to greater effort. People find what they are looking for, as did the appraisers of the Promised Land. Let us not be moved or discouraged, but accept the challenge, which is to all who are loyal to Christ and His Great Commission, at the same time judging the work by Christ's standards.

*A Stroke at the Foundations of Foreign Missions.*—We missionaries do not mind being told that some of us are inferior and lacking in personality, for, alas, this is true, as it is true of some ministers in the homeland and may be said of some representatives of any great enterprise using human beings. But we do object seriously to self-appointed modernists, one a Unitarian, we are told, standing in judgment on a great enterprise, the very foundations of which they are out of sympathy with.

*Unethical Features Objectionable.*—(a). As the Commission was composed largely of modernists and out of sympathy with missions as conducted from the earliest years of the enterprise, they should have let it be known to missionaries on the field that they were not friends—as was supposed—but opposed to Christian missions as conducted by evangelical organizations. The original desire of the Baptist laymen who suggested the enquiry being to forward evangelical missions, those accepting the office of investigation and appraisal of the work of the evangelical mission boards should have made it clear to them that they were not in position to represent the laymen nor to apprise the work as being done by evangelical Christians.

(*b*). Judging by word that has leaked into Manchuria from Peiping and Tientsin the Commission was not out with unbiased minds seeking for facts, as did the League Commission, but had already made up their minds as to what they wanted. Not in sympathy with Christian missions as carried forward by the great mass of missionaries, they wanted information that would reinforce their own opinions. So they went largely to people whom they knew saw as they did. Their attitude, we are told, was not that of one seeking truth, but of teachers already in position to tell others how it should be, and must be done. Yet it was quite evident that they were decidely less informed than the great missionary leaders at home who over decades have studied missions and traveled more widely. It is needless to say that real experts on foreign missions are not in sympathy with the recommendations of the Commission.

(*c*) Though a self-appointed commission the mission boards welcomed the proposed investigation and instructed their missionaries on the field to give every possible assistance. The missionaries likewise welcoming them and inviting criticism—for we want to do our missionary work in the best possible way—gave their assistance. When, however, information had been gathered and pre-conceived ideas justified, instead of taking the facts and conclusions direct to the foreign mission boards, who are dependent on the public for support, the Commission, without warning to the Boards or to the missionaries, published widely in the secular papers not favorable but the more unfavorable parts of their report, creating an unfavorable impression, bringing consternation and discouragement to many missionaries and upsetting the minds of English-speaking native Christians and others in foreign lands. When one has assisted his neighbor in pulling out all the contents of one's wardrobe is it right that this neighbor should hang out on the line to full view all the dirty, torn garments without notice to the owner?

*Proposed Compromise with Heathen Religions Preposterous.*—The Lord reminded His disciples that new wine was not to be put into old skins, not even when the latter were of Jewish origin. Are we expected to compromise with non-Christian religions, as the Commission demands? We cannot, nor will we ever do so and remain loyal to Christ. When this must be done we go home.

CHAS. A. LEONARD, SR.

Harbin, Manchuria, January 30, 1933,

## Loan of £4,050,000 Approved for Canton-Hankow Railway

The Board of Trustees of the Sino-British Boxer Indemnity Fund approved a £4,050,000 loan, the largest in its history, to the Ministry of Railways for the completion of the Canton-Hankow Railway at a general meeting held at the Bankers' Club Building, 4 Hongkong Road, Shanghai February 6.

Amounting to approximately $78,850,000, the loan is to be secured, first, on the net profits of the Canton-Shaokwan section of the Canton-Hankow line, second, on the gross profits of the Shaokwan Kwangtung border section of the same line, and third on the passenger and freight transportation surcharges on all national railways.

It is understood that the loan will be advanced to the Ministry of Railways in several installments. When the first installment is going to be made remains to be decided later by the board. Questions concerning control of security, bond issues, and other matters are to be subject to further consideration and to be mutually agreed upon by the board as well as the Ministry of Railway.

In approving the loan, the board also accepted the two provisions which the Finance Committee felt were necessary to be entered into.

(1) The board should retain a first lien on all movable and immovable properties supplied by it.

(2) The Ministry of Railways should be required to undertake to accept full responsibility for payment of interest and amortization, in the event that the original securities fall short of the amount needed for these payments.

It is estimated that the newly approved loan will finally yield an annual interest of approximately Tls. 3,500,000 for the board. It is understood that the major portion of this yearly income will be devoted to the promotion of educational and cultural enterprises in this country.

The approved loan to the Ministry of Railways involves more than one-third of the total of the Indemnity Fund, which is around £11,000,000. The sum represents the aggregate of all the refunds from Great Britain since December, 1921, to February, 1931, which are being kept in London. Since March, 1931, the annual installment of £600,000 has been divided into two equal halves, the first half kept in London, while the remaining portion is kept in China. The installment which used to be divided into monthly remittances, has however, been suspended since March, 1932, because of the financial stringency of the Chinese government.

## Japanese Professor Sees Visions of Billions in Gold

At least 3,800 tons of gold, which would be worth approximately yen 12,500,000,000 at the present exchange, are waiting in the basins at the lower reaches of the Amur and Sungari rivers in North Manchuria to be added to the coffers of Japan, according to Dr. Ginjiro Kuraishi, a professor of Kyoto Imperial University, who has been working in Manchuria with the mining department of the special section of the Kwantung army. He recently returned to Japan and intends to discuss with the authorities in Tokyo various plans to exploit the gold, *Rengo* reports.

## Negotiations Between Chinese Officials and Shanghai Power Co.

Negotiations between the Chinese authorities and Shanghai Power Company regarding the supply of electricity to factories and residences on the extra-Settlement Roads are still in progress, according to the Shanghai Chinese press. According to the *China Times*, the executive committee recently instructed the Ministry of Industry, the Ministry of Foreign Affairs, the Reconstruction Committee and Municipality of Greater Shanghai to hold a conference at Nanking to formulate the basic points for negotiation with the Shangnai Power Company. The Municipality of Greater Shanghai has appointed Zee Bei-huang, chief of the Public Utility Bureau, and Zung Pao-chen, another member of the Bureau, two delegates to attend the conference at Nanking. The two delegates have already left for Nanking.

Zung Pao-chen, one of the delegates, before leaving, is reported to have stated that electricity is being supplied to a number of users on extra-Settlement roads by the Shanghai Power Company. The amount of electricity consumed in the extra-Settlement Roads in the Western District is 30,000 H. P. daily, 95 per cent. of which is used by factories and the remainder by residences. The Municipality of Greater Shanghai originally planned to erect a number of power stations from funds supplied either by the Chinese Government or by Chinese merchants, but owing to a number of unexpected circumstances the project had to be abandoned temporarily. Consequently the Municipality suggested to the Central Government that negotiations be opened with the Settlement authorities and the Shanghai Power Company for supplying the electrical needs of the districts in question.

## Vessels Trading in Inland Waters May Not Touch at Foreign Ports En Route

A Customs notification has been issued drawing the attention of ship owners, ship agents and of ship masters to the fact that it is expressly forbidden by the Inland Waters Steam Navigation regulations for a vessel trading under these regulations to touch at any foreign port while en route from an open port to an inland place, or from an inland place to an open port, or from an open port to an open port via an inland place. The penalty for an infraction of this regulation for the first offence is a fine not exceeding Hk. Tls. 200 and for the second will be abrogation of the right to carry on inland trade. Goods conveyed by a vessel trading under inland waters steam navigation regulations and touching at a foreign port will be liable to the duty leviable on foreign imports, or to confiscation.

Vessels under general regulations carrying native produce and trading between open ports via a foreign port or ports are subject to the regulations for the control of native produce under native exemption certificate shipped coastwise from open port to open port via a foreign port or ports.

Vessels under general regulations not carrying native produce and wishing to trade from an open port to an open port via a foreign port or ports, are obliged to declare the foreign port or ports at which they intend to call.

## Rising Tide of Indignation Against Japanese Policy in the U.S.A.

Chicago, Jan. 28.—About 30 persons were injured, none of them seriously, and 184 arrested when police dispersed a demonstration of Communists in front of the Japanese consulate general in the *Tribune* Tower in Chicago's Loop district to-day. The Communists carried banners denouncing Japan's actions in Manchuria and the attitude of the Japanese government towards China and Soviet Russia.—*United Press.*

New York, Feb. 4.—The explosion of a toy torpedo sent 20 of New York's best riot suppressors into the financial district to-day where 1,000 radicals were parading in protest against Japan's occupation of Manchuria. The crowd was orderly and merely carried banners, also protesting against the countries at war in South America. When they reached the Japanese Consulate-General, the leaders were invited in by Consul Fujimura who received their written protest and talked with them. The demonstrators made no trouble and dispersed after they had visited the Consul.—*United Press.*

"The Seaboard Route to the North"

*Travel on The*

**Peping-Liaoning Line**

**Starting at Peping, the ex-capital of** China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and **tombs the Peping-Liaoning Line goes down to** Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

**Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.**

Peping-Liaoning Railway

**Head Office**

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

# Manchurian Problems Viewed Through Experts' Eyes

Further augumenting the voluminous Report of the Lytton Enquiry Commission, the League of Nations has just published another bulky volume entitled "Supplementary Documents to the Report of Commission of Euquiry." The volume consists of three parts. Part I is the preliminary Report of the Commission to the League filed at Mukden on April 29, 1932. Part II gives a detailed list of the documents received by the Commission from its Chinese and Japanese Assessors and the various public bodies both in China and Japan. They form the appendix to the official Report of the Commission. Part III contains nine studies by the experts attached to the Commission and is the most interesting portion of the book.

In Part II, the report on the statements received by the Commission from various organizations in "Manchukuo" deserves more than a passing notice. for it reveals how the Japanese openly manipulate the public opinion in Manchuria in an attempt to create an impression on the Commission that "Manchukuo" is an outgrowth of the spontaneous will of the residents in Manchuria. To show what the statements amount to as an expression of free will on the part of the Manchurian people, the following passage from the report will give an idea:

> "In every single instance, the delegations were introduced by Japanese officials, and it may be confidently assumed that the statements presented were first scrutinised and passed by the Japanese authorities. No statement was received from any delegation or association which was not introduced by Japanese officials, and officers of the Commission were informed that no independent delegation or persons were allowed access to the Commission—ostensibly because of the responsibility assumed by the authorities for the protection of the members of the Commission against insult or assault."

The report further notices that the presented statements are remarkable in that they touch but slightly on Japanese participation in the establishment and control of "Manchukuo." They are chiefly concerned with the relation of the grievances against the former Chinese administration which led them to support the "Manchukuo" and of their hopes for its future. The studied omission of Japanese responsibility for the creation of the puppet regime and the suppressed silence of the free voice of the common Chinese residents in Manchuria stamp these documents as propaganda pure and simple without any worth.

The nine studies by the Commission's experts which form the major portion of the book are both valuable and interesting. Not only are they written by men who have made special researches into the respective subjects on which they write, they contain opinions and conclusions which are free from official restrictions and bias. According to an introduction to these studies in the book, in preparing them, the experts were left entirely free from instructions of the Commission as to the methods to be followed by them in carrying out their investigations. To disclaim any responsibility for them, the introductory note further emphasises that the studies do not form part of the Report of the Commission and that opinions and conclusions expressed in them are held to be those of the experts themselves. It is because of these reservations that the studies become of value and interest and that perhaps more truth could be found in them than in the official Report.

The studies touch upon many controversial problems on Manchuria, such as the Railway Questions, the alleged economic importance of Manchuria for Japan, the Korean problem, Chinese Migration to Manchuria, public finance and currencies in Manchuria, Japanese and foreign investments in Manchuria and Japanese interests in Manchuria. While space does not permit a detailed review of those studies, only a brief mention can be made of some of the unprejudiced views as expressed by the experts.

After discrediting the erroneous belief in Japan that Manchuria can solve the over-population problem in Japan, a study entitled "What is the economic importance of Manchuria for Japan?" explicitly states that Manchuria is in no position to do so, at least not at present. It points out that Manchuria is not fit for Japanese colonization because of economic and climatic reasons. Thus far there have not been Japanese emigrants in the true sense of the word but merely business and professional men who stay there for temporary trade purposes. For every one Japanese settled on the land, the article points out, there were 562 Chinese at the end of 1930. "Properly speaking, there has not been any Japanese emigration to Manchuria." Further, according to statistics, Japan does not depend on Manchuria for the supply of her raw materials and food products. As a matter of fact, "The Islands depend for the bulk of their commerce far less on Manchuria that they do on British India, China and the United States." That while Manchuria may prove of importance to the economic life of Japan, but this importance should not be exaggerated, is the conclusion of the study. In point of truth, imperialist expansion of the Japanese Empire rather than econimic reasons is the real reason which underlies Japan's present armed aggressions in Manchuria.

H. C. H.

# Malay Chinese Hold "Save Fukien" Conference

An All-Malaya "Save Fukien" Conference lasting for an entire week was held recently in Singapore. The conference was sponsored by the leading merchants in Malaya and the Netherlands Indies. At the close of the conference a lengthy public declaration was issued, the gist of which is as follows:—

"The people of Fukien have suffered untold hardships from the hands of so-called soldiers and bandits during the last 21 years. The leaders of the 19th Route Army, now carrying on rehabilitation works in the province, have not only shown exemplary courage in the rounding up of bandits and communists but also in the extermination of the practice of corruption among officials, as the execution of General Tan Kok-hui, an influential warlord in the province, has indicated.

"The conference is of the opinion that, unless some assistance from overseas Chinese is offered for the removal of bandits, the opium evil, excessive taxes and the interference of civil administration by the generals, the efforts of the provincial government to improve conditions will be ineffective. The first duties of the government, the conference suggests, should be the enforcement of the proposal for district autonomy, the establishment of practical industrial and other schools and the construction of motor roads and railroads in all the districts of Fukien.

"The conference is also of the opinion that a special commission for the purpose of making investigations in the various centers of the province should be appointed at once, the expense to be borne by contributions from the Fukien public bodies in Malaya. The sum of one thousand dollars from each organization has been approved."

Besides co-operating with the provincial government, the conference suggested that, all things being equal, preference should be given to Fukien people, when candidates for official appointments are considered.

# The Inconsistencies of the Japanese Propagandists

*( From the "Japan Chronicle," Jan. 12 )*

The trouble with professional propagandists is that they always do their work so well that they have it both ways. The Manchuria Concordia Association, Mukden, has just published a pamphlet, mostly, if not all, by George Gorman, who under the alias of P. Ohara, has been the most valuble of all propagandists in the Japanese interest since the Manchurian business began—with the possible exception of G. B. Rea. The pamphlet is called "Freedom: Manchuria's Plea for Independence," and a couple of pages are devoted to briefly-stated reasons why "the League and the World should uphold the newly-created National Manchuria" On the first page it says, "It is ridiculous to say that Manchuria as a new State is a puppet of Japan. Can 30,000,000 people be enslaved?" On the opposite page we read, "No man was free before September of 1931 in Manchuria. The warlords parcelled out the country to feudal chiefs, and squeeze was the password." So apparently 30,000,000 people can be enslaved.

# Quarter of a Million British Unemployed Demonstrate---Sing "Internationale"

A quarter of a million of British unemployed headed by George Lansbury, former Cabinet Minister and leader of the Opposition, marched in a procession Feb. 5 to Hyde Park to demonstrate against the government's economic policy. Mr. Lansbury led the demonstrators in singing the Red Flag and the Internationale. Despite a communist threat of trouble there was no marked disorder, and only two arrests were made.

## Chinese Works of Art for Chicago Exposition on View at Peiping

The Bureau of Printing and Engraving at Pai Chih Fang, Peiping, is holding an exhibition of the works of Chinese art which are being sent to Chicago for display in the China section of the World's Fair this year. These art works cover a wide field and have been collected with the idea of showing the world that there still are in China workmen and artists capable of producing modern examples of those beautiful objects of Chinese art which are sought after by the collector. Y. D. Shen, director of the Bureau, is in charge of the exhibition.

One of the most attractive exhibits is a set of red lacquer stools and a screen. The workmanship which these display compares very favorably with the priceless examples of this work produced in the time of Chien Lung. Another beautiful screen shown is that made from fine strands of bamboo, the frame ornamented with lacquer and the screen itself with pictures in silk, made by binding the various colored silks round each slender piece of bamboo.

Chinese wood carving is well represented, especially so in the tan wood, a table of this being shown. Some other beautiful furniture shown is a set of four conventional Chinese chairs and a long table. They are prize examples of their kind.

Lacquer is well exhibited in a range of beautifully carved red lacquer vases, boxes and bowls. Exquisite ivory carvings, copies of ancient and priceless pieces, are displayed in considerable profusion. There are also fine examples of Peking cloisonne. Those responsible have been wise in not overloading this section of the exhibits. Five perfect pieces are shown, conventional Chinese vases, each a marvel of intricate pattern and not a sandhole in any of them.

Cabinets of carved wood are present and also some in plain wood with a beautiful variety of semi-precious stones inlaid in flower designs. There are also some fine examples of carved 'jade table dishes. Peking glass is prominently shown, the examples being copies of the days of Chien Lung, bowls cut with a Chinese pattern and then inlaid with gold.

Bronze also figures among the exhibits and there are remarkably attractive examples of cigarette cases and boxes made in silver and decorated with the new method of egg-shell decoration, which is finding such a remarkable vogue.

There are also shown beautiful examples of modern k'e su. The few examples of porcelain are magnificent pieces.

The exhibits will fill a hundred cases and their value is placed at $70,000.

## Nanking to Unify Control Over Air Forces

A set of measures designed to centralize and unify control over the air forces throughout the country was announced several days ago by the Executive Yuan in a circular order issued to the various Provincial and Municipal Governments.

The measures provide in the first place that all provincial governments or military units which have organized air forces of their own must submit detailed reports to the Executive Yuan on the organization of such forces, the number of units, aviation schools and pilots, the number and location of airdromes, the number and kinds of airplanes and other praticulars relating to such air forces, in order that, in due course, the Government may effect a reorganization thereof.

In the second places, it is provided that hereafter no local government or military unit shall be allowed to organize air forces or establish aviation organs. Where special conditions require the employment of an air force, the Central Government will detail the necessary air squadrons for the purpose.

Thirdly, the measures stipulate that any local government or civic organization, desirous of aviation, for aerial communication, for the construction of airplanes or for the promotion of aviation, must hereafter submit detailed plans and estimates of expenditures. Lastly, the measures state that no local governnment or civic organization will be allowed to purchase military airplanes. The kinds of airplanes which they may purchase are confined to commercial planes and training planes. Such purchases shall also be subject to the provisions of the regulations governing the importation of aviation materials.

人造自來血

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## CUSTOMS NOTIFICATION No. 1272.

### COASTWISE AND INLAND VESSELS TOUCHING AT FOREIGN PORTS

The attention of Ship Owners, Ship Agents and of Ship Masters is called to the following:—

(1) It is expressly forbidden by the Inland Waters Steam Navigation regulations for a vessel trading under these regulations to touch at any foreign port while *en route* from an Open Port to an inland place, or from an inland place to an Open Port, or from an Open Port to an Open Port *via* an inland place. The penalty for an infraction of this regulation for the first offence is a fine not exceeding Hk. Tls. 200.00 and for the second will be abrogation of the right to carry on inland trade. Goods conveyed by a vessel trading under Inland Waters Steam Navigation regulations and touching at a foreign port will be liable to the duty leviable on foreign imports, or to confiscation.

(2) Vessles under General Regulations carrying Native Produce and trading between Open Ports *via* a Foreign Port or Ports are subject to the Regulations for the control of Native Produce under Native Exemption Certificate shipped coastwise from Open Port to Open Port *via* a Foreign Port or Ports.

(3) Vessels under General Regulations not carrying Native Produce and wishing to trade from an Open Port to an Open Port *via* a Foreign Port or Ports are obliged to declare before clearance the name or names of the Foreigh Port or Ports at which they intend to call.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 3rd February, 1933

# Men and Events

Tonight, February 11, will be Ladies' Night at the Shanghai American Club.

Both the annual budget and the bonded debt of New York City exceed those of the entire Japanese Empire.

The American University Club of Shanghai will hold its annual dinner dance in the Bank of China premises March 3.

It is reliably reported that M. Bogolomoff, the new Soviet Ambassador to China, will leave Moscow for Nanking Feb. 25.

A son was born to Mr. and Mrs. Glenn Babb of Tokyo on January 25. Mr. Babb is the *Associated Press* correspondent in Japan.

The American community of Shanghai will celebrate Washington's birthday (February 22) with a ball which will be held in the premises of the French Club.

Thomas L. Harnsberger, for twenty years a Presbyterian missionary in Taichow, Kiangsu province, has joined the Bakerite Company at Shanghai as sales manager.

The annual general meeting of the American Chamber of Commerce of Shanghai is scheduled for 5:30 o'clock of the afternoon of Feb. 24. The meeting will be held at the American Club.

General Su Ping-wen, who retired to Soviet Russia from Manchuli in the face of a Japanese advance about two months ago, is reported to have arrived at Warsaw, enroute to China via Marseilles.

P. S. Hopkins of the Shanghai Power Company has resigned as vice-chairman of the American Chamber of Commerce and O. G. Steen, Far Eastern Manager of the Dollar Company, has been elected to the position.

Prof. Elbert D. Thomas of the University of Utah, who defeated Senator Reed Smoot in the recent U. S. national election, was once a Mormon missionary in Japan and is the author of a book in Japanese entitled, "Sukui No Michi."

Walter Bosshard, special correspondent and photographer for the *Ullstein Press* of Berlin, is now in the United States, and according to report is planning to return to China. Mr. Bosshard spent considerable time in China and Manchuria last year.

Metro-Goldwyn-Mayer, American picture producers, have released a new picture called the "Sun-Daughter," which deals almost entirely with life in the Chinatown section of San Francisco. Chief parts are taken by Helen Hayes and Ramon Navarro.

Julius Klein, formerly Assistant Secretary of Commerce and head of the U. S. Bureau of Foreign and Domestic Commerce, has resigned and has been appointed to make a survey of the business of the United Cigar Stores of America and its subsidiary, Whelan Drug Company.

Among those who recently have been mentioned as prospects for cabinet posts in the Roosevelt administration are Dr. Edwin W. Kemmerer of Princeton who served as monetary adviser to China and Roland W. Morris of Philadelphia, who formerly served as Ambassador to Japan.

An attempt of the Paris police to expel from France Alex Small, *Chicago Tribune* correspondent, was frustrated Jan. 10 by an appeal made on his behalf by the American Ambassador to the French Minister of Foreign Affairs. The French police intimated that they considered Mr. Small's writings unfriendly to France.

Among the matters discussed between the British Minister, Sir Miles Lampson, and the Chinese Foreign Minister at Nanking, during the former's recent visit to Nanking, was the revision of the Shanghai Special District Court Agreement. For the moment, there is no indication of any change in status.

The Chinese newspapers report that a Lewis gun and a box of ammunition was stolen from the deck of the British gunboat on duty at Changsha on the night of Jan. 25. The commander of the boat notified the Chinese Bureau of Public Safety, but no trace of the gun could be found.

A decree was passed by the Congregation at Oxford (England) Jan. 24 creating a readership in Chinese religion and literature. The Universities China Committee in London offered on January 15 to Oxford University a sum of £775 a year for a period of 10 years to encorage the teaching of the Chinese language and the study of Chinese literature, with special reference to religion and philosophy.

Malvina Hoffman, well-known American sculptress, returned to New York early in January following several months spent in China where she completed 110 life-sized figures, chiefly heads, for the Chicago Field Museum of Natural History. The heads illustrate all the principal racial types of mankind. Among the studies Mrs. Hoffman made in China was a head and bust of Hu Shih, Chinese philosopher.

A petition urging that special and immediate efforts be taken for the apprehension of the assassins of the late Wang Wei-san, Nanking correspondent of the *China Times*, has been submitted jointly to the Publicity Department of the Central Party Headquarters and the military and police organs in the Capital by the Nanking Press Reporters' Association and the Association of Nanking Correspondents for Shanghai newspapers.

John Haynes Holmes, liberal Christian minister of New York City, in an article discussing the prohibition question, argues that the wealthy classes are trying to shift the burden of taxation from themselves to the common people by giving them facilities to drink highly-taxed beer. He hints incidentally that John R. Mott, Y. M. C. A. leader, became anti-prohibition within a few hours after John D. Rockefeller's millions had their say.

Mrs. Theodore Roosevelt, the widow of the late president of the United States, and the mother of the present governor-general of the Philippine Islands, passed through Shanghai enroute from Manila to the United States Feb. 6 on the Dollar liner *President Taft*. Mrs. Roosevelt was the guest of Judge Milton D. Purdy of the U. S. Court for China.

Dr. T. Chien, the second Chinese woman lawyer with a Ph. D. degree, who is at present practicing law in Shanghai, became the bride of Dr. Peter Wang, also a lawyer, at the Great Eastern Hotel Restaurant, Shanghai, Feb. 6. General Wu Te-chen, mayor of the Municipality of Greater Shanghai, and Mr. Hsiang, member of the central executive committee of Kuomintang, officiated at the wedding. Both Dr. Chien and Dr. Wang are graduates of the college of law of Northwestern University, Chicago.

## Shanghai Foreign Municipality Increases Grants-in-Aid to Chinese Schools

The Shanghai Foreign Municipal Council on February 1 approved the recommendation of the Education Board that grants to private Chinese schools in the Settlement amounting to ₮99,250 be provided in the estimates for 1933. Of this sum ₮27,500 is allotted to secondary and ₮71,750 to primary schools. This year 87 Chinese private schools, with attendances totalling 16,974, applied for and have been allotted grants, as compared with 57 schools with 11,064 pupils last year. The present proposals after making allowance for remission of taxation, represented an increase of approximately ₮10,000 over the 1932 appropriation.

## American Correspondents Return from Chinwangtao Front

Various correspondents representing newspapers in the United States who went to the Chinwangtao front shortly after the New Year, have returned to Shanghai. Victor Keen, representative of the New York *Herald-Tribune*, however, is remaining in Peiping due to the illness of Mrs. Keen who is confined to the German Hospital. Hallett Abend, correspondent for the *New York Times*, who also became ill in Peiping, is now in the Shanghai Country Hospital. Mr. Abend's assistant, Mr. Robertson, has als returned to Shanghai. Reginald Sweetland of tho *Chicago Daily News*, and J. B. Powell of the *Chicago Triebune*, have also returned to Shanghai.

## Public Functionaries Are Asked to Contribute to Airplane Fund

Contributions by all public functionaries of a prescribed percentage of their salaries towards the national fund for the purchase of airplanes was called for by the National Government in a circular order issued to the various government organs throughout the country, end of last week. The order provides that contributions are to be made monthly for a period of six months, beginning from the current month. The scale of contributions ranges from three-tenths of one per cent up to ten per cent.

# Who's Who in China

Chow Ta-wen, Mayor of Peiping Municipality; born at Wusih, Kiangsu, 1895; has successively served as director of Electrical Affairs Department of the Headquarters of the Military and Civil Governors of Fengtien; director of Electrical Affairs Department of the Headquarters of the Inspector-General for the Three Eastern Provinces; superintendant of Electrical Administration for Fengtien, Kirin and Heilungkiang; director of Electrical Affairs Department of the Headquarters of the Commander-in-Chief of the Cheng-Wei-Chun (Fengtien Army); director of Electrical Affairs Department of the Headquarters of Commander-in-Chief of the An-Kuo-Chun (National Pacification Army—Fengtien); director of Electrical Affairs Department of the Headquarters of the Generalissimo (the late Marshal Chang Tso-lin); director of the code department of the Headquarters of the Peace Preservation Force of the Three Eastern Provinces and concurrently Superintendant of Electrical Administration for Fengtien, Kirin and Heilungkiang Provinces; Director-General of the Coal and Iron Mining Administration in Fushun; now, Mayor of Peiping Municipality and concurrently Director of the Kailan Mining Administration; address: Peiping Municipal Government, Peiping.

周大文

Chow Ta-wen

周大文，年三十七歲，江蘇無錫人，歷充奉天督軍兼省長公署電務處長，東三省巡閱使署電務處長，奉吉黑電政監督，鎮威軍總司令部電務處長，安國軍總司令部電務處長，大元帥府電務處長，東三省保安總司令部秘電處長兼奉吉黑電政監督，本溪湖煤鐵公司總辦，現任北平市市長兼開灤礦務督辦，

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## Many Millions Spent by Shanghai Public on Dog Racing

Evidence given in the British Supreme Court in Shanghai Feb. 7, during the course of the hearing of the suit for damages in the sum of $2,500,000 brought by the Greyhound Racing Association (China), Ltd., against Capt. R. M. J. Martin and Brig-Gen. E. B. Macnaghten, who, at the time of the forcible closing of the dog-racing establishment two years ago were, respectively, Acting Commissioner of Police and Chairman of the Municipal Council, showed that even greater amounts than had been generally suspected were expended by the general public of Shanghai on dog-racing. It was admitted that more than $10,000,000 had been invested in the pari-mutuel on the one course alone in a year. The inventor of part of the machinery, drawing a percentage on pari-mutuel takings, received over $100,000 a year. Cross-examination revealed the information that 99 9/10 per cent of the company's income came from the pari-mutuel, and counsel for defendants suggested that an average of eighty people each evening paid for admission.

For the plaintiffs it was argued that the Shanghai Foreign Minicipal Council had given full approval to the project and, in any case, had no right to take action themselves for a closure without Court authority.

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## In the United States Court for China

| | |
|---|---|
| In re.<br>Estate<br>of<br>TIMOTHY HERLIHY<br>Deceased | Cause No. 3465<br>Special Proceedings No. 795<br>NOTICE |

Pursuant to an Order of said Court notice is hereby give to all persons having claims against the estate of TIMOTHY HERLIHY, deceased, to present the same with vouchers to the undersigned on or before August 4th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China
January 31, 1933.

G. H. Wright,
Administrator.
c/o Hansons 7 Peking Road, Shanghai.

# New Books of Interest in the Far East

*Is Christ Possible? by Philip Whitwell Wilson. Fleming H. Revell, New York, London and Edinburgh. $1.75 (U.S.)*

We have here a new book by the author of "The Christ We Forget", which with "The Vision We Forget", "A Layman's Confession of Faith" and the present volume bids fair to make Philip Whitwell Wilson a rival of Bruce Barton in the popularity of his religious books. The author came from England to America in 1917. He had been a member of Parliament, and a journalist of marked ability. In fact, his mission in America was to interpret the mental attitude of America to the readers of the great London newspaper he represented. His book "The Christ We Forget" won the hearty approval of the church and the Christian public and made him well-known on two continents.

The present volume is an inquiry into world need, and surely comes at a crucial hour. It is fascinating in style, and powerful in its appeal. And when one realizes that it faces the confusion, the skepticism, the materialism and the secularism of the present day, and is convincing without being controversial in its reply, one may know that it is a book worth careful reading. The author himself says of his book,

> "It is not a description of Christianity. It is not what is called relgious. It is an approach to a Person, an actual Person, in all His fullness of love for others. I know of only one argument against the Christ of God. It is that a greater Christ be discovered, and without hesitation I assert as unchallengeable the statement that no greater Christ has been produced or even conceived by the synthesis of modern thought, and this may be accepted as the judgment of one who follows the profession of journalism which touches life at all points."

This man, who says, "After knowing something of success and failure, of prosperity and depression, I can say from experience that he who stakes his life on Jesus of Nazareth, will never have reason to regret it", writes prose that flows like poetry. Listen to this:

> "To the shepherds, Christ was the latest news, and the news was immediate and important and personal. These simple men did not know much history or politics. But at least they did know that the task of a shepherd is salvation of the sheep and that the greatest of all shepherds hitherto had been David of Bethlehem. When, therefore, it was announced to them, that in the city of David, this day and for their sakes, a Savior was born, they grasped at once precisely what was meant. It was the language of their life."

Familiar with Scripture, the author so uses it that one has no feeling that he is looking up references in a Concordance,—it is a part of the very warp and woof:

> "Love did not only give. Love demanded, and the demand exceeded what man was prepared to yield. The treasure lying hid in the field might fill some people with joy. But many people were not prepared to go and sell all in order to buy the field. The pearl might be of great price. But every merchantman was not ready to sell all in order to buy the pearl. The community and the individual have hesitated and haggled over this Love in Christ which is the Mind of God."

It is hard to desist from quoting when every chapter and almost every page has much in it that one would like to pass on verbatim. The author has no illusions. He says there is no Christian country. There are only countries where Christians may be found. There is no completely Christian Church. He knows too the tricks of his own trade. He says a hundred thousand churches may be contributing to the welfare of a nation. Who wants to hear about that? But if there is one minister of religion who fails in his duty, immediately there is *news*, headlines are exaggerated, and the novelist who advertises the fact is hailed as the exponent of a decadent Christianity. He is very logical. Speaking of Christ refusing to be King on Herod's terms, which were force, he says:

> "There is not a Herod who reigns anywhere, over homes, over countries, over cities, over caucuses, over trade unions, over churches, over religions other than our own, who does not know in his heart of hearts that Jesus of Nazareth is an opponent of the injustices and corruptions of his despotism."
>
> "Whatever He was saying or doing, we see Him as the mind that was Love seeking to win the minds that are other than Love. If we do not know everywhere that He went, we do know that He went about doing good. If we do not know all that He said, we do know that never man spake as did He. Over much of the life, there was drawn a veil. But no veil could conceal the Love that pervaded the whole."

His last chapter summarizes, it contains all the theology one needs, defines all the terms, answers all the questions. In fact, having answered his question, "Is Christ Possible?", he goes further and asks, "For individuals and for nations, is *life possible* without Christ?" The question is not whether Christianity has failed. It was not Christianity that Christ offered. It was God as Love, and there is no other remedy for the age-long distresses of the world than God's Love in the hearts of men. That His Love is coming into the hearts of men, one realizes best by the long look:

> "When Jesus was born, age-long slavery was the universal basis of society. When Christ set a little child in the midst what serious attempt was there to safeguard maternity and to educate children? . . . When Christ healed the sick, where were the hospitals—the clinics—the medical profession itself? . . . As Christ fed the multitudes, so are famines prevented. As Christ blessed the cup of cold water, so is there a water supply where His name is known, which has changed our manner of life. As Christ spoke of light, so have we lit new candles everywhere. As Christ opened ears, so do we hear across land and sea. As Christ gave sight to the blind, so do we see into and through and beyond all that men have ever seen before."

Reading such a book is bound to be an inspiration to anyone, and to many an honest doubter it may prove to be the light of certainty.

G. T. F.

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## Squeeze and Scandal in U.S.A.

*Washington Swindle Sheet, by William P. Helm; Albert & Charles Boni, New York City.*

*More Merry-Go-Round, by the authors of Washington Merry-Go-Round; Liveright, Inc., Publishers, New York City.*

These volumes are compiled from inside information of journalists on what take places behind the scenes in the capital of the United States, although that of Mr. Helm is derived entirely from official records which, however, few people ever trouble to read. "More Merry-Go-Round," like the "Washington Merry-Go-Round" that preceded it, is made up of the kind of material every journalist in Washington accumulates, but which ordinarily is never published because it borders on libel, or involves loss of "face" for too many of the mighty, or is deemed subversive of the prestige of the government. The names of the authors of these two books have never been formally made public, but it is now definitely known that two of them are Robert Allen, who was dropped by the *Christian Science Monitor* after the first appeared, and Drew Pearson, who was discharged by the *Baltimore Sun* after publication of "More Merry-Go-Round."

The title of Mr. Helm's book is based upon book-keeper's slang for expense accounts, it being a generally recognized custom of salesmen, politicans, and journalists to turn in records of the cost of trips that net them a tidy margin of profit. That practice is called "graft" or "swindling" in the United States; out here it is known as "squeeze."

This reviewer suggested to a Chinese acquaintance who was looking interestedly over Mr. Helm's volume that it should be translated into Chinese to counteract the efforts of foreigners in these parts to maintain that squeeze is exclusively Celestial, but the Chinese entered a demurrer on the grounds that it might give his countrymen some new ideas in high pressure swindling. The reviewer had not then read the book, and so he doubted whether the wisdom of the ancient Orient could be improved upon in this respect, but now he believes his Chinese acquaintance was right. For Mr. Helm's record makes Chinese squeeze look decidedly amateurish.

Furthermore, all the squeeze described by Mr. Helm is entirely within the law, and also entirely engaged in by lawmakers. Before any Congress adjourns, for example, a number of Congressman maneuver resolutions to investigate something or other, usually in a salubrious climate, at government expense during the recess. One such junket, headed by Senator Pittman, to investigate trade relations with China—without, however, coming closer to China than Seattle—cost G$18,387.39, but what the result was is still a mystery.

Another type of tremendous squeeze is the allowance of 40 U.S. cents a mile for a lawmaker's traveling expenses between his home and Washington. Thus Senator Hiram Johnson, of California, gets G$1,292.80 from the government every time he presents a bill for a trip to or from Washington while the actual cost of such a trip exclusive of meals, is G$274.76. Further, Congress may adjourn for only four days—would make a trip home for a California solon impossible,—yet the mileage is paid just the same! In consequence this one custom now costs the American government G$226,000 a year whereas not more than one half of that sum, according to Mr. Helm's estimate, is honestly spent for necessary travel.

Many similar examples of American official squeeze are given, including the luscious record of Senator Nye listing G$12 for one meal while probing political corruption, but lack of space prevents further citing of them here. All Chinese officials, however, are herewith advised to read this volume, either for suggestions, or to refute a common canard of the treaty ports that squeeze is an Oriental invention.

"More Morry-Go-Round," like most sequels, does not maintain the standard of "Washington Merry-Go-Round," but both books are exceedingly interesting and throw a vivid light on certain phases of American political life that are customarily kept concealed. However, there are incidents recorded without any excuse save their interest as "hot" scandal; such a one is the story of how a Washington managing editor "passed out" in green negligee on the silken couch of a feminine publisher, and another is an account of how the very dignified Major General Blanton Winship, Judge Advocate General of the U.S. Army, once appeared at a dinner with a rosy ring of rouge in the very center of his white mustache.

Striking and usually uncomplimentary portraits are given of many high Washington officials, including the "nine old men" of the Superme Court, army and naval officials, and cabinet members, the picture of Secretary of War Hurley being especially devastating and apparently deservedly so. Nor is the now vanquished Herbert Hoover spared. There is one intriguing tale circulated by Major General Smedley Butler who, like Hoover, was in Tientsin during the Boxer uprising. Butler deposes that during this incident he, then a lieutenant in the Marine Corps, was informed that an American civilian was in a godown where a large number of women had been placed for their own safety. The civilian refused to come out. Butler investigated, found the man, and hauled him out by the scruff of his neck. The man, according to Butler, was Herbert Hoover.

As has been pointed out, Allen and Pearson, two of the most distinguished journalists in Washington, have lost their jobs because of this book and its predecessor. The question of their discharge has no place in this review, but it is quite easy to understand that their usefulness to their respective newspapers as correspondents in Washington was severely impaired, if not entirely destroyed, when it became known they were associated in writing these volumes. Further, considerable of the material they have recorded is open to criticism, but nevertheless large sections of both books are exceedingly instructive and interesting sidelights on the history of the administration of Herbert Hoover—which is succinctly described in one chapter heading of "More Merry-Go-Round" as the "Dance of the Depression." W. B.

## A New Map of Manchuria Compiled By Chinese Geographer

Fulfilling a timely urgent need, the Jih-Sin Geographical Institute under the direction of Soo Chia-yung, a well-known Chinese authority on geography and formerly professor of geography and history of the National Peiping and Wuhan Universities, has just published a new and comprehensive map of Manchuria and Jehol, the center of the present Far Eastern Crisis and cradle of imminent world conflict. The map measures 78 by 58 inches and is printed in six colors with English names for all important cities, mountains and waterways. It is compiled from the latest and most authentic surveys and is nicely and clearly printed. In compiling the map, Mr. Soo has devoted more than one year's time in study and research and availed himself of not only materials from the Chinese but also the Japanese, English and Russian sources. In comprehensiveness and accuracy, the map is decidedly the best of its kind ever published in China. In view of the importance of the stirring events now taking place in that region and their world-wide significance, all people interested in the Far Eastern crisis should possess a copy to keep informed of the developments. The map sells for $8.00 in China and G$ 4.50 abroad.

In addition to the above map, the Institute has also on sale a map of Jehol, Liaoning and Hopei Provinces, showing the areas where severe fighting between the Chinese and the Japanese is now raging. Names for all the principal towns are also translated into English and the map is convenient in size. It is particularly useful at present as a guide to the developments of the situation there. Another map showing China and Japan and the nine countries adjacent to the Pacific Ocean is under preparation and will be ready for sale shortly.

## In the United States Court for China

In re.
Estate
of
IRA NELSON BLACKWELL
Deceased

Cause No. 3508

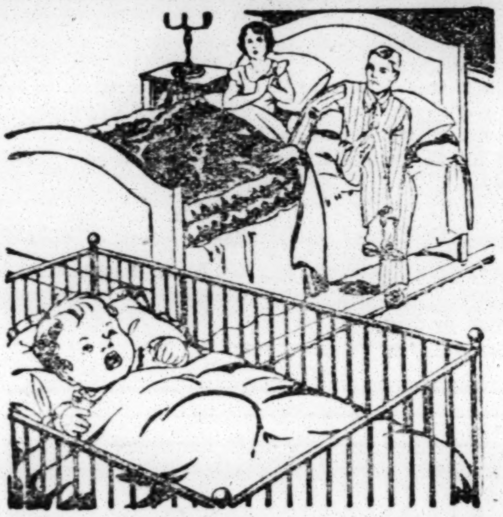
Special Proceedings No. 810

NOTICE

Pursuant to an Order of said Court notice is hereby give to all persons having claims against the estate of IRA NELSON BLACKWELL, deceased, to present the same with vouchers to the undersigned on or before August 4th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
January 31, 1933.

Robert Allen Crews
Administrator.
c/o British American Tobacco Co. Shanghai.



*Up Again!*

Poor old Jim! That's four times to-night. He'll not be fit for his work in the morning.

But what about poor Little Jim? He can't tell you how he is going through it with those new teeth of his.

You should get him some Baby's Own Tablets before another day passes.

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there has been nothing yet devised which so completely fulfils baby's needs as Baby's Own Tablets. Teething pains are chiefly nervous, caused by the upset in stomach and bowels which accompanies the cutting of teeth. Baby's Own Tablets relieve teething pains in a remarkably short time, though they have no narcotic or opiate action. They settle the stomach and cleanse the intestines thus removing the causes of teething pains. They are a boon to parent and baby alike.

**Baby's Own Tablets,**

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**Analyst's Certificate.**

**(Montreal Testing Laboratory)**

"I hereby certify that I have made a careful chemical analysis of Baby's Own Tablets which I personally purchased at a store. My analysis proved that: The tablets contain absolutely no narcotics or opiates. They can be given with perfect safety to the youngest infant. They are a safe and efficient medicine for the troubles they are indicated to relieve and cure."

(signed) Milton. S. Hersey. Public Analyst.

## CUSTOMS NOTIFICATION No. 1273

The public is hereby notified that in accordance with Government instructions the following regulations which govern the marking of all foreign goods imported into China with the name of the country of original manufacture will be enforced as from the 1st August, 1933:—

1. All imported goods, as well as their containers and packing, must be marked in a conspicuous place with the name of the country of origin (i.e. the country of original manufacture) in Chinese characters. Such marks are to be of a durable nature.
2. Any imported goods not bearing the required marks shall be marked under Customs supervision (on payment of the usual fee), failing which their importation shall be prohibited.
3. Imported goods in the following circumstances may be exempted from bearing marks showing the country of origin on the goods themselves:—
    a) When the containers or packing, which are sold together with the goods, have already been distinctly marked;
    b) When the nature of the goods is such that they cannot be marked, tagged, or in any other way display identification.
4. In the event of goods on import being discovered to bear forged marks, the goods shall be confiscated by the Customs.

It is further to be noted that the character 製 is to appear in the mark after the name of the country.

A list of the Chinese names of foreign countries is exhibited at the Custom House and copies can be obtained on application.

H. O. TONG,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 8th February, 1933.

"The Peiping Chronicle"

Peiping's English Language Daily

"THE PEIPING CHRONICLE" presents news impartially and promptly, interprets current events in a sane and liberal spirit, and editorially supports progressive and constructive policies.

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## Admiral Chen Wishes to Resign Because of Lack of Financial Support

Due to the financial difficulties of the Naval Ministry, Admiral Chen Shao-kuan, Minister of the Navy, has tendered his resignation to the Central Government. The Executive Yuan has, however, instructed him to remain in office.

That the Chinese Navy was prevented from participating in the Sino-Japanese hostilities last year by the non-payment of officers' and sailors' wages for more than three months is the allegation contained in Admiral Chen's answer to an impeachment lodged against him some time ago by a member of the Control Yuan. The Control Yuan member accused the Admiral of being far too "inactive" during the fighting and questioned his loyalty to the government and people. He also stated that the Admiral had refused to deliver ammunition to the 19th Route Army when required to do so.

Interviewed at his local headquarters, the Admiral was very pessimistic. He was concerned over the bad financial condition of the Ministry of Navy and referred to the refusal of the government to increase its budget. The Ministry of Navy, he said, had been short in its expenditure of $400,000 monthly for some time, but the cost of coal alone was $100,000 a month. He compared this with Japan, which spends, he said, about $15,000,000 on its Navy each year.

## Dr. C. C. Wu Attends Drafting Committee Meeting

Dr. C. C. Wu, former Minister of Foreign Affairs attended a meeting in Nanking, Feb. 2, of the Special Committee for the Drafting of the general principles concerning the powers and composition of the proposed National People's Assembly (*Kuo-Min-Tsan-Cheng-Hui*). Questioned concerning the Sino-Japanese situation, Dr. Wu expressed it as his firm conviction that there was no other way out of the present situation except by strong resistance to the invaders. He emphasized that China must not rely upon others for a solution of the trouble. Regarding the proposed National People's Assembly, Dr. Wu said that while no definite decisions have as yet been reached by the Special Drafting Committee, he hoped however that the Assembly would be really representative of the people. A meeting of the Special Drafting Committee was held at the Central Party Headquarters in Nanking Feb. 2. Among those present were: President Tai Chi-tao, President Sun Fo, Messrs. Ku Meng-yu, Chen Li-fu, Tuan Shih-peng and Dr. C. C. Wu.

## Tael to Be Abolished April 1

The long-outstanding proposal to abolish the tael and retain the silver dollar as the official monetary unit in China will be carried into effect from April 1 of this year, according to Ling Kang-hou, general secretary of the Chinese Bankers Association. All questions arising from this proposal, it was said, have been solved as a result of protracted and careful discussions between T. V. Soong, minister of finance, and leaders of the Chinese Bankers Association and the Native Bankers Guild in Shanghai.

The native bankers formed the only group which at first fought the Finance Ministry's proposal to abolish the tael and retain the dollar. However, as it now stands, full agreement has been accorded by the native bankers to all questions concerning the abolition of the tael and retention of the dollar, Mr. Ling said.

## Special Class on All Dollar Liners to San Francisco

The Robert Dollar Company, agents for the Dollar Steamship Lines, announce that effective with the ss *President Grant* sailing from Shanghai southbound March 4, all President Liners of the 535 type on the San Francisco route will be able to offer Special Class accommodations in addition to First Class. The ss *President Grant* will sail from Shanghai on March 18 for San Francisco and New York. Special Class fare to San Francisco will be G$185.00. With the recent change whereby the ss *President Hoover* and the ss *President Coolidge* will operate exclusively in the Pacific, this new re-classification means that every steamer of the Dollar Steamship Lines proceeding to San Francisco will be able to offer both first-class and special-class accommodations.

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## A Japanese Exposes "Dangerous Thought" Procedure

*(Extracts from a letter by K. Matsuda, Tokyo, to the "North China Daily News," Shanghai)*

There are two under-currents of extremely radical thought branded as "dangerous thought" here that prove to be cancers to the constitution of this country. They are Communism and Fascism. Apparently the latter is at present getting the better of the former. Even Fascism here appears to be on the decline this moment..... The Tokyo Metropolitan Police Board are doing their best in order to crush out both Communism and Fascism. This is no easy task, however.....In spite of these rigorous measures to deal with the Fascists, however, the movement is far from being rooted out. There are several others of the same kind in this country, exercising great influence especially upon youths in farming villages. Their ultimate aims are to destroy for ever capitalism that is supposed to be tyrannizing over proletarianism, and to establish a realm of democracy.....The latest arrests of the communists are said to have reached a total of 7,000 persons, among whom fair Reds are found. Some people may wonder at this new tendency of the spreading of "Red thought" among the fair sex. But it is not difficult to understand its reason.....They (communists in general) know that they are liable to the capital punishment when detected. This fact gives them a kind of awful solemntiy, something like heroism. ....Japan has something to learn from the treatment of communism in England. In London the policeman smiles on a speaker on communism and passes on keeping his month shut and as calmly as if he saw children's play. They believe in the wisdom of individuals. This attitude cannot be adopted in Japan at once, of course, but it may be better for the authorities to give them more opportunity for studying Marxism and communism so that they may understand both merits and demerits

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### The National City Bank of New York, Rates of Exchange

Shanghai, Feb. 8, 1933.

| | |
|---|---|
| Demand selling rate on America: | U.S. $100=Sh. $501.25 |
| Demand buying rate on America: | U.S. $100=Sh. $490.79 |
| Demand selling rate on London: | £1.0.0=Sh. $ 17.16 |
| Demand buying rate on London: | £1.0.0=Sh. $ 16.80 |

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## Latest New York Stock Exchange Quotations

**Market—Steady** **Business Done 580,000 Shares**

Feb. 8, 1933

| 1932-3 High | Low | Div.$ per Sh. | STOCKS | Mon. Eeb. 6 | Tues. Feb. 7 |
|---|---|---|---|---|---|
| 9⅛ | 1⅝ | — | Adams Express | 4⅛ | 4⅛ |
| 88¼ | 42½ | •6.00 | Allied Chemical & Dye | 81⅜ | 82 |
| 85⅝ | 4 | — | Allis Chalmers | 6⅝ | 7 |
| 1 ⅞ | 29⅝ | •4.00 | American Can | 57¾ | 57⅞ |
| 75 | 2 | — | American & Foreign Power | 5¾ | 6⅜ |
| 18½ | 5 | — | American & Foreign Power 7% Pfd. | 10¼ | 11 |
| 30 | 1⅛ | — | American Metal Co. | Unq. | Unq. |
| 217¼ | 5⅛ | — | American & Foreign Power Warr. | 3⅛ | 4 |
| 137⅞ | 70¼ | 9.00 | American Smelting | 12¾ | 12½ |
| 89¾ | 44 | •5.00 | American Telephone & Telegraph | 98⅞ | 100¾ |
| 134½ | 11 | 2.00 | American Tobacco "B" | 57⅝ | 56⅞ |
| 19⅜ | 3 | — | American Waterworks | 15¼ | 15¾ |
| 51¾ | 28¾ | •4.00 | Anaconda Copper | 6⅝ | 6¾ |
| 21⅜ | 3¾ | — | Auburn Automobiles | 42 | 42¾ |
| 29⅝ | 7¼ | — | Baltimore & Ohio | 14 | 11⅛ |
| 43⅛ | 20 | •2.00 | Bethlehem Steel | 13¾ | 14 |
| 14¼ | 3⅝ | — | Borden Company | 21½ | 21½ |
| 20⅝ | 7¼ | — | Borg Warner | 8 | 7⅞ |
| 65¾ | 16¾ | — | Canadian Pacific Railway | 10½ | 10⅝ |
| 47⅞ | 19 | 2.00 | Case, J. I. | 42¼ | 42¾ |
| 20¾ | 4⅞ | 2.00 | Chase Bank | 32⅝ | 32⅞ |
| 21¾ | 5 | 1.00 | Chesapeake Corp. | 18⅞ | 19 |
| 21 | 4¼ | 1.00 | Chrysler | 12 | 12¼ |
| 5⅛ | 1⅝ | — | Columbia Gas & Electric | 14 | 14¾ |
| 1 | 1/16 | — | Commonwealth & Southern | 2½ | 2 |
| 68¾ | 31½ | 4.00 | " " Warr. | ½ | 5-16 |
| 9⅜ | 3⅝ | — | Consolidated Gas of N. Y. | 52 | 52¼ |
| 55⅜ | 24¾ | •3.00 | Continental Oil | 5⅝ | 5¼ |
| 7⅝ | 1⅛ | — | Corn Products | 53¾ | 54 |
| 8¼ | ⅞ | — | Coty Inc. | 4 | 4 |
| 18⅝ | 5 | .75 | Curtiss Wright Company | 1¾ | 1¾ |
| 57 | 23 | 4.00 | Douglas Aircraft | Unq. | 12 |
| 59¾ | 22 | 2.00 | Drug Incorporated | 35⅛ | 36⅝ |
| 87⅞ | 35¼ | 3.00 | Du Pont de Nemours | 36 | 36⅜ |
| 48 | 5 | 6%S | Eastman Kodak | 57 | 57 |
| 16 | 2¾ | — | Electric Bond & Share | 15⅛ | 15⅛ |
| 25⅞ | 1 | — | Electric Power & Light | 5⅜ | 5½ |
| 46⅛ | 8½ | .40 | Fox Film "A" | 1½ | Unq. |
| 40½ | 19⅝ | 2.00 | General Electric | 18⅝ | 13¾ |
| 24⅝ | 7⅝ | 1.00 | General Foods | 23 | 23½ |
| 28⅝ | 6⅛ | 1.00 | General Motors | 12½ | 13⅛ |
| 24¼ | 10⅜ | 1.00 | General Railway Signal | 18½ | 19 |
| 20⅝ | 8¼ | 1.60 | Gillette Safety Razor | 16 | 16¼ |
| 19¾ | 5½ | — | Gold Dust | 14 | 14½ |
| 8¾ | 3⅝ | — | Goodyear Tire & Rubber | 11⅝ | 12 |
| 81⅞ | ½ | — | International Cement | Unq. | 8 |
| 14⅛ | 10⅞ | 1.20 | International Com. Engine. | Unq. | ½ |
| 12½ | 8½ | — | International Harvester | 21 | 20½ |
| 85¾ | 2⅝ | — | International Nickel | 7⅝ | 7¾ |
| 13⅜ | 10 | — | International Telephone & Telegraph | 5⅞ | 6⅛ |
| 9¼ | 4⅞ | — | Johns Manville | 19⅜ | 19 |
| 89⅛ | 1/32 | — | Kennecott | 8½ | 8⅞ |
| 17¾ | 13¼ | •3.00 | Liggett & Myers, "B" | 57 | 56¼ |
| 18⅜ | 9 | 1.20 | Loew's: Inc. | 15⅝ | 16 |
| 11⅜ | 1½ | — | Lorillard P. Co. (Com.) | 12⅛ | 12⅛ |
| 16½ | 3½ | — | Ludlum Steel | Unq. | 5½ |
| 64½ | 23¾ | 2.00 | Montgomery Ward | 12⅞ | 12⅞ |
| 10¼ | 2½ | — | National City Bank (bid price) | 40¾ | 41¾ |
| 36⅝ | 8¾ | — | New York Central | 18⅞ | 19⅛ |
| 43¼ | 13¾ | 10% | North American Company | 24 | 25 |
| 37 | 16⅞ | 2.00 | Pacific Gas & Electric | 28⅛ | 28⅛ |
| 5¼ | 1½ | — | Packard Motors | 2⅛ | 2¼ |
| 11⅛ | 1½ | — | Paramount—Publix | ⅝ | ¾ |
| 23⅜ | 6½ | — | Pennsylvania Railroad | 18 | 18 |
| 4⅜ | 1 | — | Pennroad Corporation | 1⅝ | 1⅝ |
| 8⅜ | 2 | — | Phillips Petroleum | 5⅝ | 5¼ |
| 60 | 28 | 3.20 | Public Service of N. Jersey | 47½ | 48⅝ |
| 12½ | 2½ | — | Radio Corporation | 4⅛ | 4¼ |
| 7¾ | 1¼ | — | Radio-Keith Orpheum | 1⅜ | 1¼ |
| 40¼ | 26½ | 3.00 | Reynolds Tobacco "B" | 30 | 92⅛ |
| 37⅝ | 9⅞ | — | Sears Roebuck | 18½ | 18¼ |
| 8¾ | 2½ | — | Shell Union | 4 | 4¼ |
| 13¼ | 2¾ | — | Simmons Company | 6¼ | 6¼ |
| 12¼ | 5¼ | .40 | Socony-Vacuum Corp. | 6¼ | 6⅜ |
| 23¾ | 15¾ | 2.00 | Southern California Edison | 28 | 24½ |
| 24¼ | 7⅝ | 2.00 | Standard Gas & Electric | 10¾ | 11 |
| 37⅜ | 19⅞ | •1.00 | Standard Oil of N. Jersey | 25⅝ | 25⅞ |
| 18¼ | 9¼ | 1.00 | Texas Corporation | 12½ | 12½ |
| 26¾ | 12 | 2.00 | Texas Gulf Sulphur | 23 | 23¼ |
| 7⅛ | 2⅛ | — | Trans America | 5 | 4⅞ |
| 36⅜ | 15½ | 1.20 | Union Carbide & Carbon | 24½ | 25⅝ |
| 94½ | 27⅝ | 6.00 | Union Pacific Railway | 74 | 73¼ |
| 34⅜ | 6½ | — | United Aircraft & Trans. | 23½ | 23¾ |
| 14 | 3½ | .4 | United Corporation | 7⅝ | 7⅝ |
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| 4½ | ⅛ | — | Warner Bros. Pictures | 1¼ | 1⅛ |
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